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IN THE

Supreme Court of the United States

OCTOBER TERM, 1983

JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON, JOAN CLINTON,
DR. STANLEY C. FELL, and FRANK D'AMICO, on their own
behalf and on behalf of all others similarly situated,

Petitioners,

v.

CITY OF NEW YORK; NEW YORK CITY BOARD OF ETHICS;
EDWARD I. KOCH, as Mayor of the City of New York;
FRANCIS T.P. PLIMPTON, as Chairman of the Board of
Ethics; POWELL PIERPOINT and BARBARA SCOTT PREISKEL
as members of the Board of Ethics; and DAVID N.
DINKINS as City Clerk,

Respondents.

**PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

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Question Presented for Review

Whether New York City Local 48 of 1979, which compels public employees to file and to disclose to the public at large extensive personal financial information, is constitutional as applied to employees whom the District Court found to perform no policy-making functions and have no history of corruption or any significant opportunity for corruption?

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioners seek a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit entered on June 22, 1983.

Opinions Below

The opinion of the United States Court of Appeals for the Second Circuit has not yet been reported, but is reproduced as Appendix I. The opinion of the United States District Court for the Southern District of New York rendered after trial is reported at 551 F.Supp. 917 (1982) and is reproduced as Appendix II. The opinion of the District Court on defendants' motion for a new trial is unreported, but is reproduced as Appendix III. The opinion of the District Court on plaintiffs' motion for a preliminary injunction is reported at 477 F.Supp. 1051 (1979) and is reproduced as Appendix IV.

Jurisdiction

The judgment of the Court of Appeals, reproduced as Appendix VIII, was entered on June 22, 1983. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. §1254(1).

Constitutional and Statutory Provisions Involved

The constitutional and statutory provisions which are relevant to a determination of the issues raised by this petition are the First, Fourth, Fifth and Ninth Amendments to the United States Constitution and New York City Local Laws 48 of 1979 and 1 of 1975. The text of each of these constitutional and statutory provisions is set forth in Appendix IX.

Statement of the Case

This action was brought by the named petitioners and all others similarly situated to enjoin the enforcement of New York City Local Law 48 of 1979 ("LL 48"), enacted as New York City Administrative Code §1106-5.0, as applied to the plaintiff class, and to declare that LL 48 is unconstitutional as applied to them. The District Court had jurisdiction over this action pursuant to 28 U.S.C. §§1331 and 1343(3). The District Court for the Southern District of New York (Sofaer, J.) enjoined enforcement of LL 48 *pendente lite* by order dated September 6, 1979.

A trial was held before the District Court between November 6 and December 3, 1980. In a decision dated November 24, 1982, and pursuant to a judgment entered on January 10, 1983, the District Court declared LL 48 to be unconstitutional as applied to petitioners insofar as it provides for the disclosure to the public of petitioners' financial disclosure reports, but sustained the constitutionality of LL 48 insofar as it requires petitioners to file such reports with the City Clerk to be available to City officials.

In a decision and judgment entered June 22, 1983, the Court of Appeals for the Second Circuit affirmed that part of the District Court judgment which held the filing requirement of LL 48 to be constitutional and reversed the District Court to the extent it held the public disclosure provisions of LL 48 to be unconstitutional.

The Local Law Challenged

Local Law 48 of 1979 is the latest version of a financial disclosure law passed by the New York City Council. In 1975 the City Council enacted Local Law 1 of 1975 ("LL 1") requiring disclosure of personal financial information by certain elected and appointed New York City officials, and by all other City employees who earned over \$25,000. LL 1 was challenged in the New York courts which, in *Hunter*

v. *City of New York*, 58 A.D.2d 136, 396 N.Y.S.2d 186 (1st Dept. 1977), *aff'd* 44 N.Y.2d 708 (1978), declared the law invalid insofar as it contained no mechanism to prevent automatic public disclosure of all information disclosed. The City Council enacted LL 48, effective July 27, 1979, to amend LL 1 to provide a mechanism through which employees could assert claims of privacy with regard to some or all of the information required to be disclosed pursuant to LL 1.

LL 48 requires disclosure of personal financial information by (a) elected officials, including the Mayor, City Council President, City Councilmen, Borough Presidents, and Comptroller; (b) candidates for those elective offices; (c) appointed officials such as agency heads, their deputies, and compensated members of any board or commission; (d) City employees who are members of the managerial pay plan; and (e) all City employees whose annual salary is equal to or exceeds \$30,000. App. IX at 221a-222a. Petitioners are subject to the law solely because they earn in excess of \$30,000.

LL 48 requires that the same financial information be disclosed by all those to whom it applies. Each individual, and his/her spouse, must provide extensive information about his/her personal finances, including, among other items, the identity of professional organizations from which the employee or a spouse derives \$1,000 or more in income during the preceding year; the source of capital gains of \$1,000 or more, other than from the sale of a residence; the source of gifts or honoraria of \$500 or more; indebtedness in excess of \$5,000 that is outstanding for 90 days or more; and the nature of investments or trusts worth \$20,000 or more. App. IX at 214a-219a.

The reports are to be filed with and maintained by the City Clerk and made available for "public inspection." LL 48 does not limit in any manner the persons who may have access to the reports or the purposes for which access may be sought. Any person required by LL 48 to file a

financial report may submit a request to withhold any item "from public inspection on the ground that inspection of such item by the public would constitute an unwarranted invasion of his or her privacy."¹ App. IX at 223a. Such claims must be in writing, set forth the reason why the item should not be disclosed, and be filed prior to the making of any request for inspection. *Ibid*.

LL 48 provides no mechanism through which an employee can assert a privacy claim to avoid reporting privileged information. Reporting each year, presumably with repeated privacy claims, is required as to all matters covered by LL 48, including those as to which privacy is claimed. The City Clerk is required to notify the person who filed the report when a request for inspection has been made.² App. IX at 224a.

Where a privacy claim has been filed, LL 48 provides for the public members of the City Board of Ethics, all of whom are appointed by the Mayor, to determine whether the item should be withheld from public inspection. No standards are specified, the statute only requiring that the Board "consider" whether the item is of "a highly personal nature;" "in any way relates to the duties of the position held by such person;" or "involves an actual or potential conflict of interest." App. IX at 225a. The procedures to be followed by the Board in considering withholding requests are not detailed, except that the person who has filed a withholding request is permitted to explain why the information should not be disclosed to the public. App. IX at 225. The Board is required to render a written decision and forward that decision to the City Clerk, who may then make the statement available for disclosure, ex-

¹ By its terms, LL 48 does not permit an employee to assert the privacy rights of others whose privacy may be invaded by the disclosure.

² LL 48 does not require that the notice identify the person requesting inspection, although the City maintained in its appellate brief that that is the practice.

cepting only those items with respect to which a request for withholding has been sustained by the Board. App. IX at 226a. No provision for notice of the decision to the person filing the report is included in LL 48.³

The Plaintiffs and Their Duties

The named petitioners represent four sub-classes of plaintiffs: (i) Battalion Chiefs, (ii) Deputy Chiefs and (iii) Medical Officers in the New York City Fire Department ("FD"), and (iv) their spouses. The employee sub-classes all consist of members of the FD who occupy civil service positions which they obtained through competitive examinations and who are required by LL 48 to file financial disclosure reports solely because they earn in excess of \$30,000 each year. App. II at 43a. The Chief Officers rose through the ranks of the FD uniformed forces by such competitive examinations. *Ibid.* None of the plaintiffs are elected officials, incumbents of an appointed position or in a managerial position.⁴ The District Court found that they perform no policy-making functions. App. II at 146a-147a; JA 137, 141, 166, 248, 280, 316.

The duties of a Battalion Chief are to supervise the operations of the five to eight fire companies in his command. This includes direct supervision at the site of a fire, and ongoing supervision of training, equipment maintenance and other operations of the fire companies in his battalion.

³ An affidavit submitted by defendants in support of their motion for a new trial asserted that the practice of the Board has been to provide such notice. See Joint Appendix in the Court of Appeals ("JA") 716.

⁴ There are ten Assistant Chiefs and seven Deputy Assistant Chiefs designated as such from the civil service title of Deputy Chief. These officers are not covered by collective bargaining while they hold managerial positions and are not plaintiffs in this lawsuit. In addition, six Chief Officers are detailed to special assignments of a managerial nature. JA 422-26. These 23 officers are not the subject of the discussion herein as to non-manageriality on the part of FD Chief Officers and Medical Officers.

JA 131, 133-35, 247. The duties of a Deputy Chief are to supervise the operations of from three to four battalions. This includes direct supervision at the site of a large fire, and ongoing supervision of the training, equipment maintenance and other operations of the fire battalions in his command. JA 131, 135-36, 247, 280. Four Chief Officers work in the Maintenance and Communications Divisions of the FD; none of the other Deputy Chiefs or Battalion Chiefs, totalling more than 360, have any role in the purchase of equipment, nor any authority with regard to the expenditure of funds. JA 160, 397, 420, 424-25. The purchase of equipment for the FD is done by the City Department of General Services, not the FD. JA 397.

No opportunity for corruption exists in the inspection duties of Chief Officers. There was discredited testimony about such opportunity in respect of the duties of two of the approximately 360 Chief Officers. As to this testimony, the District Court found:

"Plaintiffs discredited much of this testimony . . . and presented credible evidence to the contrary. . . . plaintiffs' evidence is far more credible." (App. II at 77a).

The duties of a FD Medical Officer are to determine the fitness for duty of members of the FD and to attend members of the FD injured at the site of a fire. JA 165, 249, 299. The District Court expressly found that Chief and Medical Officers in the FD have neither a history of corruption nor any significant opportunities for corruption:

"The offices of Fire Department Deputy Chief, Battalion Chief, and Medical Officer, have a virtually corruption-free history. [JA 132-33, 164-65, 448, 452, 457, 522]. Officers employed in these positions have little or no contact with the public. [JA 150-56]. Deputy and Battalion Chiefs principally perform line duties, supervising their fire companies and on-site firefighting activities. [JA 133, 247-50, 280, 316]. Their duties do not involve policymaking, and provide no significant

opportunities for venality or conflict of interest. [JA 136-42, 150-56, 166, 247-50, 252, 280, 297, 299-300, 316, 389-522]. All of their duties are performed in the company of at least one aide, and often of several. Chief Officers rarely, if ever, pass on a matter that has not first been acted and reported upon by several other members of the Fire Department. Because tours of duty rotate, a matter passed on by one Chief Officer will often later come to the attention of another officer of the same rank; and all matters are routinely reviewed by superior officers. Consequently, a high risk of exposure attends the limited opportunities for corruption Chief Officers may have. Evidence presented by the City reveals that only six of the approximately 400 Deputy and Battalion Chiefs have duties that present them with any significant opportunity for corruption or conflict of interest. These individuals are easily identified by job description. [JA 420-26]. With the possible exception of these six individuals, policy in the Fire Department is set by the Commissioner and his immediate staff, none of whom is in a plaintiff class. Fire Department Medical Officers also have virtually no opportunity for corruption. Their principal duty is administering medical treatment to firemen injured in the line of duty, and determining an injured fireman's fitness for duty. They have no policymaking responsibilities. Rotation of tours of duty makes it highly improbable that any injured fireman will ever be seen twice in succession by the same Medical Officer. Although Medical Officers file the first report with respect to pension eligibility of injured firemen, it is impossible for a Medical Officer acting alone to falsify a pension claim, given the administrative framework governing pensions. [JA 164-67, 297-300, 408-12, 452].” (App. II at 146a-147a).

The FD Inspector General, who testified for the defendants, conceded that “[t]here is . . . no proof whatsoever of a

single instance of active corruption or conflict of interest activity by a Chief Officer." App. II at 77a; JA 522.

The Privacy Interests Affected

The testimony at trial demonstrated that the financial reporting and disclosure mandated by LL 48 will disclose and make available for public scrutiny significant aspects of the social, familial and associational activity in which plaintiffs are engaged. JA 259. As Professor Alan Westin of Columbia University, a leading authority on privacy and presidential appointee on the National Wiretapping Commission, testified:

"[W]hile it calls itself financial privacy, what [LL 48] is doing is putting on the record, through the vehicle of money reporting, relationships that deal with individual, family, parent, child, associational activity . . ." (JA 240).

The evidence also established that the information provided on financial disclosure forms, which pursuant to LL 48 are available to the public, will be widely disseminated. The defendants' expert testified that reporters have been the most common source of interest in the financial disclosure forms his office has collected. JA 368. And in the past *The Daily News*, a widely read New York City newspaper, has published stories based upon information revealed in financial disclosure forms or FD lists of extra-departmental employment. JA 174-76. The District Court found:

"Among those likely to use the forms are insurance salesmen seeking customers, T. [Transcript] 423, family members or neighbors seeking knowledge of the filer's financial capacity for a variety of purposes, [JA 285-89], former spouses seeking to determine ability to pay alimony, [JA 344], business organizations seeking investors or customers, public interest or other charitable organizations seeking contribu-

tions, and commercial interests seeking to expand mailing lists, [JA 203]. As noted above, public disclosure may lead to embarrassment that one lives above or below one's means, and will reveal many associations. The impact will be felt with respect to the disclosure of virtually every class of financial information specified on LL 48—sources of outside income, *e.g.*, T. 295, 345, gifts and reimbursements, *e.g.*, [JA 318], amount and address of real property, *e.g.*, T. 551; [JA 548-49], identity of creditors and amount of debt.

Filers will also lose the power to minimize specific and reasonable fears for their own safety, their family's safety, and the security of their property. T. 327-28, 532; T.D. 178-79." (App. II at 87a-88a).

It was also established at trial that the financial disclosure mandated by LL 48 will compel many plaintiffs to redefine their marital relationships.⁵ Financial disclosure pursuant to LL 48 will compel the employee plaintiffs to obtain financial information from their spouses to which, in many cases, they have not previously been privy. Joan Clinton, the named plaintiff representing the spouse subclass, testified that compulsory disclosure to her husband of how she spent her salary, as would be required for him to comply with LL 48, would strain their marriage of twenty-six years:

"I think we have always just trusted one another that 'whatever you are doing is fine with me', and I would

⁵ Professor Westin testified:

"[T]he boundaries of information between husband and wife are extraordinarily subtle and sensitive, especially at a time when women . . . are having independent careers and independent income . . . [so that] now you often have two working partners, each with their monies and making decisions about what they disclose, and I think that this automatic requirement of total disclosure on the part of the spouse . . . raises very serious questions of family privacy and of spousal privacy and threatens the balances that have to be set very sensitively inside families, and the same thing I think takes place with parent and child." (JA 231).

resent his picking at what I did with my money." (JA 293-94).

Similarly, according to plaintiff Frank D'Amico,—who, by design, had never disclosed to his spouse the full extent of his financial dealings—he would be compelled by LL 48 to make this disclosure because she might learn of these through the press; such disclosure to his spouse at this late date of information that had previously been withheld would create marital strains and misunderstanding between husband and wife. JA 309-10.

LL 48 requires an employee to make full disclosure of all financial information regarding his spouse and dependents. Where the employee has previously had access to that information, it has been provided by his spouse in most instances on the assumption that that information will not be further disseminated.⁶ Thus LL 48 requires plaintiffs to redefine their marital relationships and, in particular, the way that they exchange money and information with their spouses.

In similar fashion, LL 48 will compel plaintiffs to redefine their relationships with their children. Plaintiffs Brian Clinton and Frank D'Amico testified that they have not revealed the extent of their financial assets to their children in order to encourage the development of a sense of self-reliance in the children. Public disclosure of their assets would compel those plaintiffs to reveal to their children information that they have intentionally kept from them in the past in order to promote what they regard as proper values. LL 48 would change the dialogue

⁶ Professor Hannah Levin, a psychologist with special expertise in the privacy area, associated with Rutgers Law School and Albert Einstein College of Medicine, testified:

"A marriage is certainly built on expectation of a limited disclosure and trust between the husband and wife . . . [LL 48 compels a husband] to divulge information really given on the conditions of what I would call limited disclosure . . . an expectation that that is as far as the information will go." (JA 265-66).

within those plaintiffs' families, in effect requiring them to discuss their financial holdings with their children. Moreover, limited disclosure practiced in the past in the interest of promoting proper values would result in those parents appearing untrustworthy to their children when their true financial status is revealed. JA 263, 265, 285-86, 308-09.

The testimony at the trial also established that public disclosure of plaintiffs' finances will strain relationships with friends, neighbors, and charitable and religious organizations because, in many cases, it will reveal a financial status inconsistent with that projected by plaintiffs. In some cases, plaintiffs will have presented themselves as having more substantial income and assets than they actually possess. In others, they will have given the impression that their financial status was more modest than it is. But whether they have lived above or below their means, the discrepancy between the image of their financial status projected to others and the income and assets they in fact possess will result in lost credibility for the persons unmasked. This will result in their subsequently being regarded as untrustworthy by those who feel that they have been deceived. App. II at 87a; JA 258-60. In addition, if the disclosure reveals that one's income and assets are less than he projected, that will result in a loss of status for the individual among his peers. JA 261.⁷

According to defendants' expert witness, the experience in Alabama has been that at least 200 government officials resigned as a result of the enactment of that State's financial disclosure law. JA 369-70. Certain doctors who were

⁷ The proof also showed that Medical Officers will have to list the name of every patient who paid them in excess of \$1,000 and the nature of the service provided. JA 303. For the named plaintiff Dr. Fell, he would be required to make such disclosure as to approximately 100 patients. *Ibid.* And it was also testified by one plaintiff that the disclosure of his address and assets will make him a target for burglars, and facilitate retaliation against plaintiffs. JA 320-320a.

professors at the University of Alabama Medical Center indicated that they would probably resign, but remained when informed that they had been exempted from the financial disclosure law. JA 369.

Disclosure will, further, "chill" plaintiffs in the choice of activities and associations that may be reflected in the financial information they must reveal. The testimony disclosed that fear that such activity or associations will be revealed, and may be disapproved, by someone sometime in the future will, in many cases, foreclose certain lawful and constitutionally protected activities and associations. JA 232, 261-62, 265.

The Purposes Served by LL 48 as Applied to Plaintiffs

Defendants, on the other hand, offered no proof at the trial to establish that LL 48 serves any legitimate governmental purpose as applied to members of the plaintiffs' class.

(a) There was no evidence that disclosure pursuant to LL 48 will deter plaintiffs from engaging in acts of corruption or conflict of interest.

(b) There was no evidence that disclosure pursuant to LL 48 is effective in educating plaintiffs as to potential conflicts of interest.

(c) There was no evidence that disclosure pursuant to LL 48 will provide investigative information to the FD that would not otherwise be available.⁴

⁴ In *Plante v. Gonzalez*, 575 F.2d 1119 (1978), cert. den. 439 U.S. 1129 (1979) ("*Plante*"), the Court of Appeals for the Fifth Circuit noted that financial disclosure by public officers or employees "may well be useless" as a tool for the detection of conflicts of interest:

"[The plaintiffs] make the reasonable point that few officials are likely to make a public disclosure of illegal income." (*Id.* at 1135).

This places in serious doubt the speculation of the Second Circuit here on the role which public disclosure of plaintiffs' finances

(d) There was no evidence that disclosure pursuant to LL 48 will increase public confidence in Chief Officers or Medical Officers in the FD.

The evidence demonstrated, instead, that all of the information that the FD would obtain through financial disclosure pursuant to LL 48 is already available to the FD pursuant to authority vested in the FD Inspector-General to require any of the plaintiffs to provide information regarding any matter related to official duties, including financial information relevant to an authorized ongoing investigation. This could include all of the information disclosed pursuant to LL 48. JA 705-06, 430-31. According to the FD Inspector-General, the FD's use of LL 48 as a source of information would be equally well-served without the public disclosure mandated by LL 48. JA 471-72.⁹

could play in the detection of corruption. The Court of Appeals found that public disclosure of plaintiffs' finances pursuant to LL 48 served an important governmental purpose in that the media could review the disclosure statements and prod the government to investigate instances of corruption and conflicts of interest. App. i at 18a. But if the forms are unlikely to contain disclosure of illegal income, as the Fifth Circuit noted, they are likely to be of little or no use for the detection of corruption.

⁹ Any act of corruption or conflict of interest by plaintiffs is a violation of the New York Penal Law (Art. 195, 200), the New York City Charter (§2604), and FD regulations specifically addressed to conflict of interest problems (JA 481-83). Any plaintiff who engages in corrupt practices or conflict of interest is subject to criminal prosecution, loss of his job, and loss of his pension. Plaintiffs are aware of these consequences because the FD regularly and frequently informs all FD members of them (JA 441); plaintiffs' promotional examinations test for knowledge of these matters (see Exec. Order 16 § 8[b]; Defendants' Exhibit ["Def. Ex."] T). The District Attorney, the New York City Department of Investigation, and at least 168 investigators in the offices of the FD Inspector-General and the Fire Marshal (see JA 445-46), are all charged with the investigation of corruption and the prosecution of those found to be engaged in corrupt acts or conflicts of interest. In addition, experienced FD personnel testified, without contradiction, that the failure of a Chief Officer to properly perform his duty would so expose himself and his co-workers to a substantially increased risk of serious injury or death as to constitute an effective deterrent to corruption. See, *e.g.*, JA 146-49, 161-62.

Financial Disclosure Laws in Other Jurisdictions

LL 48 is the most invasive of financial disclosure laws in its combination of range of officials/employees reached and disclosure mandated. The overwhelming majority of the laws in effect in other jurisdictions do not require financial disclosure by career civil servants in positions such as plaintiffs. In fact, the financial disclosure statutes enacted by most jurisdictions do not reach employees, as distinct from officials, at all. The National Municipal League Model State Act, for example, which the defendants' expert on financial disclosure laws helped to draft, limits financial disclosure to "state officials." Def. Ex. C at §9(a). Most of the laws that do reach employees, and some of those that apply only to officials, restrict compulsory financial disclosure to the incumbents of certain enumerated positions.¹⁰ These positions have, presumably, been selected as those that include policy-making functions and/or present opportunities for corruption or conflicts of interest. A few states have attempted to achieve the same objective by expressly limiting financial disclosure to those who occupy a "major policy-making position" or "are authorized to receive or disperse State or Federal funds."¹¹

Only five states use a salary figure to determine the employees required to file financial disclosure statements.¹² Those statutes do so as a means to separate out policy-making positions. The defendants' expert on the operation of financial disclosure laws conceded that Congress required financial disclosure only of those above GS 16 in

¹⁰ See, e.g., Cal. Govt. Code Ann. §87200; Hawaii Rev. Stat. §84.17(c) (1979 Supp.); Minn. Stat. Ann. §10A.01(18) (1980 Supp.); Ore. Rev. Stat. §244.050 (1980); So. Car. Code §8-13-810 (1980 Supp.).

¹¹ Ark. Stat. §12-3002(e); Mass. Gen. Laws Ann. Ch. 268B §1(o) (1980 Supp.).

¹² Ala. Code §§36-25-1 to 16 (Cum. Supp. 1979); Ill. Ann. Stat. Ch. 127 §604A-101 to 107 (Smith Hurd 1973) (Cum. Supp. 1982); 9 N.Y.C.R.R. (A)3.10; Ohio Rev. Code Ann. §102.01 (Cum. Supp. 1982); Wis. Stat. Ann. §19.43 (West Cum. Supp. 1982-83).

the federal service because "that begins, for lack of a better term, a super grade. . . . They would not have to go through the regular civil service steps to reach a 16." Tr. November 12, 1980 at 368. Similarly, Common Cause adopted a \$20,000 figure when it drafted its model act because "only those officials in important decision-making positions must file disclosure statements." JA 333.

With respect to the information to be disclosed, most financial disclosure statutes, working from a conception like that of the Fourth Amendment, "link the kind of information that is required to be disclosed to some real sense of opportunity for conflict of interest occurring within the job context, or a history of corruption which has taken place." Tr. November 6, 1980 at 183. In addition, most statutes exempt from disclosure certain information that is regarded as infringing unduly upon constitutionally-protected interests. The federal Ethics in Government Act of 1978 applicable to federal judges, for example, exempts intra-familial gifts, debts and financial transactions from its reporting requirement. 28 U.S.C. App. §§302(a)(2)(A), (a)(3), (a)(5). That law also exempts from reporting all real property held for residential purposes, mortgages on personal residences, and most loans secured by a personal motor vehicle or household effects. 28 U.S.C. App. §§302(a)(3), (a)(4). The Ethics in Government Act expressly exempts "the reporting of positions held in any religious, social, fraternal, or political entity. . . ." (28 U.S.C. App. §302[a][6]), and distinguishes in its reporting between a "judicial officer" and others subject to its disclosure requirement, requiring less extensive disclosure from the latter (28 U.S.C. App. §302[f][2]). Similarly, the financial disclosure law challenged in *Plante, supra*, excluded intra-familial gifts and real property owned for residential purposes from its reporting requirement. 575 F.2d at 1138-39. Thus these laws are carefully tailored to avoid unnecessary intrusions upon constitutionally-protected interests.

The Decisions Below

The District Court opinion is a comprehensive review of the record and the law governing the issues presented here by a judge who is exceptionally knowledgeable of the area. The care and thoughtfulness of the opinion make it appropriate to reference rather than paraphrase it in all but its major aspects. Accordingly, although we disagree with that opinion in some respects, in particular its treatment of the filing provisions of LL 48 and plaintiffs' First, Fourth and Fifth Amendment claims,¹³ we regard that opinion as the starting-point for our discussion.

The District Court held the public disclosure provisions of LL 48 to be unconstitutional, saying that "the public disclosure aspect of the challenged law would interfere substantially with [plaintiffs'] privacy interests in autonomy and confidentiality"; and that because "[p]laintiffs public disclosure component of LL 48 serves no defensible purpose with respect to plaintiffs in this case." App. II are not elected, and they lack policymaking roles," "the at 37a-38a.

The Court determined that the \$30,000 salary figure employed by LL 48 to determine which employees are required to file financial disclosure reports "is only tangentially related to the statute's purposes, and wholly unnecessary." App. II at 111a. The Court found that the City Council had known that the statute was both over and under-inclusive at the time it was enacted and "had no need to draw an arbitrary line." App. II at 115a. The Court continued:

"LL 48 was carefully written to cover all the important elected and policymaking offices in City Government.

¹³ We, of course, reserve these claims in the event this petition is granted. In our view, all claims based on the right to privacy ultimately turn on whether the plaintiffs have a reasonable expectation of privacy with respect to the matter for which privacy is claimed. At the trial of this matter, plaintiffs showed by uncontradicted testimony the nature of that expectation for individuals in their positions. See *supra* at 8-12.

... Only after covering all these offices does the statute seek to include all employees earning over \$30,000. The \$30,000 line cannot, therefore, be justified as necessary to include any of the elected or policymaking personnel in City government. To the extent the City Council believed that coverage of offices in addition to those expressly covered was necessary, it could have examined particular job categories and specified which ones were to be covered; or it could have delegated the screening task to the Board of Ethics, an agency already created to deal with conflict-of-interest problems. As the record of the City Council's deliberations demonstrates, the City refused both to do the work itself, or to delegate it. Rather, it simply decided to draw an unnecessary line, only tenuously related to its objectives, and in ignorance of the relevant facts. Such a line is entitled to no special deference." (App. II at 115a-117a) (footnote omitted).

Finally, the Court found that the privacy mechanism, which alone distinguishes LL 48 from a predecessor statute held unconstitutional by the New York Court of Appeals in *Hunter v. City of New York*, *supra*, "will not prevent, and in some ways will exacerbate, invasions of legitimate expectations of privacy." App. II at 91a. The Court recognized that certain of the constitutionally cognizable privacy concerns raised by plaintiffs will not qualify for protection under the standards applied by the Board of Ethics and, accordingly, private information would be disclosed to the public despite the privacy mechanism. The Court concluded that the privacy mechanism was inadequate:

"Whatever value the statutory mechanism may have is negated by the indefinite delay that occurs before a claim of privacy is resolved [i.e., the privacy claim is not decided until a request is made for access to the claimant's financial disclosure report]... During that period of uncertainty, the filer and his spouse must

live with the continuing possibility of public disclosure. . . . The statutory mechanism does nothing to allay the anxiety caused by loss of control over, and indeed loss of knowledge about, what information will eventually be communicated to the public. . . .

Furthermore, the requirement that employees detail in writing their privacy claims will in many cases condition the opportunity to avoid one invasion of privacy on accepting a second, even more intrusive invasion. The reasons financial information may be private or personally embarrassing will almost always be more personal and private than the information itself. . . .

Finally, the privacy mechanism of LL 48 has the effect of placing in special jeopardy persons who succeed in obtaining protection from disclosure of particular items:

Since their reports will be publicly available except for materials deemed to be protected, the public will be placed on notice that [a specific] aspect of the financial lives of these individuals is 'highly personal'. . . .

Slevin v. City of New York, 477 F.Supp. at 1058. The 'privacy mechanism' will therefore have the effect of flagging 'highly personal' aspects of a person's life to the public, thereby inviting focused intrusions by the press." (App. II at 93a-97a).

The District Court held, however, that the statute is constitutional insofar as it requires plaintiffs to file financial reports with the City. The Court observed that the injury to plaintiffs' privacy interests resulting from the filing of the disclosure reports is less substantial than that resulting from the public disclosure of the reports and that the City "is entitled to opt for a centralized system of monitoring its employees' finances, even if the new procedure is less comprehensive than some departmental procedures." App. II at 79a. The District Court noted that "[f]iling

will necessarily compromise a spouse's desire to keep secret his or her finances from the filing employee. . . . [B]ut this interest, though substantial in some families, is insufficient to invalidate the filing requirement. . . ." App. II at 75a; footnote omitted. The Court found that "[i]f the centralized disclosure procedure mandated by LL 48 serves valid governmental objectives, then requiring information about spousal finances is necessary to make it effective." App. II at 80a. The Court also rejected plaintiffs' claims that LL 48 violated their rights under the First, Fourth and Fifth Amendments to the United States Constitution. App. II at 48a-58a. The Court held that the LL 48 disclosure provisions, which it invalidated as applied to plaintiffs, could be severed from the statute's filing provisions, whose constitutionality it sustained because of the presence of a severability clause. App. II at 137a-139a.

With respect to the constitutionality of the filing provisions of LL 48, the opinion of the Court of Appeals parallels that of the District Court. With respect to the constitutionality of the public disclosure provisions of the ordinance, however, the opinion of the Court of Appeals diverges markedly from that of the District Court.

In particular, the Court of Appeals rejected the District Court's analysis of LL 48's privacy mechanism. Relying upon a post-trial affidavit of one of the members of the Board of Ethics created by LL 48 to review "privacy claims" (see *supra* at 4) and representations in the City's appellate briefs, the Court of Appeals found that the "statute's privacy mechanism adequately protects plaintiffs' constitutional privacy interests." App. I at 14a. The Court then deferred to the City's assertion that the public disclosure provisions of LL 48 serve legitimate governmental interests:

"In this case, we cannot say that it was unreasonable for the City Council to conclude that public disclosure would materially advance the City's attempt to prevent corruption and conflicts of interest." (App. I at 19a).

The Court of Appeals agreed with the District Court that the \$30,000 salary figure was both over-inclusive and under-inclusive as a determinant of the employees subject to LL 48. However, the Court held that such imprecision was not sufficient to invalidate the public disclosure provisions of LL 48. App. I at 19a-20a.

REASONS FOR GRANTING THE PETITION

This Case Turns Upon Important Questions of Federal Constitutional Law Which Have Not Been, But Should Be, Settled by This Court.

In our view this case raises with unique clarity the issue whether every public employee, and not just elected or high or policy-making officials, substantially forfeits his/her privacy solely by reason of such employment. That is the effect of the decision of the Court of Appeals which sustains the constitutionality of a local law compelling disclosure of private financial information by employees whom the District Court found to perform no policy-making functions and have no significant opportunity for corruption. Pursuant to that ordinance, information which traditionally has been regarded by the employees affected, their employer, their spouses, and our society in general as private information, must be yielded up by such employees and then made available to the public at large. The issue presented on this petition is whether there is any distinction of constitutional significance between the plaintiffs and the Mayor of the City of New York with respect to the private financial information which the public can legitimately expect that individual to disclose as a condition of governmental employment.

The Court of Appeals, in effect, invited this Court's clarification of the constitutional dimensions of the right to privacy in the circumstances:

"The exact nature and scope of the right to privacy has never been fully defined." (App. I at 8a).

After reviewing the discussion of the right to privacy by this Court in *Whalen v. Roe*, 429 U.S. 589 (1977) ("*Whalen*"), *Nixon v. Administrator of General Services*, 432 U.S. 425 (1977) ("*Nixon*"), and *Paul v. Davis*, 424 U.S. 693 (1976), the Second Circuit described the state of the law as follows:

"The nature and extent of the interest recognized in *Whalen* and *Nixon*, and the appropriate standard of review for alleged infringements of that interest, are unclear."¹⁴ (App. I at 9a).

As the determination of this case turns upon the manner in which the right to privacy is defined and the standard of review to be applied when a statute is challenged as allegedly violative of that constitutional right, the per-

¹⁴ This view is concurred in by the law review commentators on the right to privacy, who note, in particular, the conflicting decisions of the Courts of Appeals discussed *infra* at 22. See e.g., Note, *The Constitutional Right to Withhold Private Information*, 77 NW. U. L. REV. 536, 547-64 (1982); Note, *The Constitutional Right To Confidentiality*, 51 GEO. WASH. L. REV. 133, 139-43 (1982); Note, *Constitutional Limitations On Florida's Financial Disclosure Laws*, 31 U. FLA. L. REV. 872, 892 (1979); Case Comment, *A Constitutional Right To Avoid Disclosure Of Personal Matter: Perfecting Privacy Analysis In J.P. v. DeSanti*, 71 GEO. L.J. 219, 220-21, 230-31 (1982); Comment, *Constitutional Law—A Missed Opportunity For Clarification—Hollenbaugh v. Carnegie Free Library*, 4 W. NEW ENG. L. REV. 171-73 (1981). Numerous commentators have urged this Court to clarify the nature and scope of the right to privacy in order to assist the lower courts in applying that right to cases before them and to resolve the conflicting decisions of the lower courts:

"*J.P. v. DeSanti* creates a split among the federal courts of appeals as to the existence and nature of a constitutional right to nondisclosure of personal matters. The time is therefore ripe for the Supreme Court again to address the issue of the existence and nature of this right. The Court should clarify its ambiguous holding in *Whalen* and provide viable guidelines for courts to follow when confronting nondisclosural privacy claims." (71 GEO. L.J., *supra*, at 251).

Accord, 77 NW. U. L. REV., *supra*, at 548; Note, *The Interest In Limiting The Disclosure of Personal Information: A Constitutional Analysis*, 36 VAND. L. REV. 139, 196 (1983); 4 W. NEW ENG. L. REV., *supra*, at 173.

ceived lack of clarity on those two issues, central to this and other cases implicating like fundamental and liberty interests, make this the appropriate occasion for this Court to provide the clarification now sought.

The Courts of Appeals are in clear disagreement on the constitutional dimensions of the right to privacy after *Whalen* and *Nixon*. In *J.P. v. DeSanti*, 653 F.2d 1080, 1087-91 (1981), the Sixth Circuit even questioned the existence of a general "confidentiality" right as a component of the privacy interest protected by the Constitution:

"Absent a clear indication from the Supreme Court we will not construe isolated statements in *Whalen* and *Nixon* more broadly than their context allows to recognize a general constitutional right to have disclosure of private information measured against the need for disclosure." (653 F.2d at 1089).

The Courts of Appeals for the Second, Third and Fifth Circuits are in clear disagreement with the Sixth Circuit. See *Schachter v. Whalen*, 581 F.2d 35 (2d Cir. 1978); *United States v. Westinghouse Electric Corp.*, 638 F.2d 570, 577-78 (3d Cir. 1980); *Plante*, 575 F.2d at 1135.¹⁵

The confidentiality interests implicated by the financial disclosure scheme of LL 48 are more substantial than those at issue in the prior cases involving the right to privacy decided by this Court. In *California Bankers Assn. v. Shultz*, 416 U.S. 21 (1974) ("*Shultz*"), this Court recognized that substantial constitutional interests are implicated by the disclosure of private financial information about individuals. In language which would be adopted by the majority of this Court in *Buckley v. Valeo*, 424 U.S. 1,

¹⁵ Among the latter courts, there is broad disagreement as to the nature and extent of the "confidentiality" interest protected by the Constitution, even as there appears to be on this Court. The dissent of the Chief Justice in *Nixon* construes the "confidentiality" interest to be both broader and more fundamental to our constitutional fabric than the majority of this Court, and apparently subject to a different standard of review. See 433 U.S. at 526-36.

66 (1976), Justice Powell, in an opinion joined by Justice Blackmun, emphasized in *Shultz* the extent to which financial disclosure may implicate the most private realm of an individual:

"In their full reach the reports apparently authorized by the open-ended language of the Act touch upon intimate areas of an individual's personal affairs. Financial transactions can reveal much about a person's activities, associations and beliefs." (416 U.S. at 78-79).

Justices Powell and Blackmun concurred with the Court's determination that the Bank Secrecy Act of 1980 was constitutional only because the Act, which required banks to report transactions in excess of \$10,000 to the Secretary of the Treasury, had been narrowed by the Secretary's regulations. *Id.* at 78-79. Justices Brennan, Douglas and Marshall dissented in that case and would have held the reporting requirements to be unconstitutional. *Id.* at 79-99.

The intrusion upon plaintiffs' constitutionally-protected interest in confidentiality effected by LL 48 is much more substantial than that at issue in *Whalen*, *Nixon* or *Shultz*. None of those cases involved disclosure to the public of any information. In *Nixon* the arguably private materials would be subject to the review only of archivists and would be returned to Mr. Nixon immediately after the materials were screened and determined to be personal in nature. This Court noted that "only a minute portion of the material implicates [President Nixon's] privacy interests" because almost all related to the performance of his official duties. 433 U.S. at 458-59. In *Whalen* the statute provided for the retention by the State of New York for five years of all prescriptions dispensing certain potentially harmful drugs. This Court emphasized that the statute prohibited public disclosure, that the State had established elaborate precautions to assure against inadvertent disclosure, and that the statute provided for the destruction of the records after five years. 429 U.S. at 593-95, 597, 600-01. And in *Shultz*, the information was obtained from banks, not in-

dividuals, and was subject to disclosure only to government agencies engaged in criminal investigations. Pursuant to LL 48, the private information obtained from the plaintiffs includes complete financial information about plaintiffs and their spouses, and will be indiscriminately disseminated to any member of the public who requests access.¹⁶

The confidentiality interest implicated by LL 48 would appear to be substantial, as the District Court found. App. II at 37a. This Court's precedents which discussed the nature and extent of the confidentiality interest, support the District Court in its findings. However, the Court of Appeals, while noting the District Court's finding that "[p]ublic disclosure will directly and materially affect the confidentiality interests of filers and their spouses" (App. I at 14a), treated the interest at issue as if this were a challenge to some form of economic regulation (see *infra* at 25), not as a right, interest or value entitled to the protection accorded the confidentiality aspect of privacy. This divergence of treatment of the confidentiality interest by the Court of Appeals and the District Court indicates the need for this Court to clarify the confidentiality interest protected by the constitutional right to privacy.

This case also confirms that the autonomy interest protected by the constitutional right to privacy is likewise in need of the clarification which only this Court can provide. The Court described the scope of the autonomy phase of privacy as follows in *Zablocki v. Redhail*, 434 U.S. 374, 385 (1978), quoting from *Carey v. Population Services International*, 431 U.S. 678, 684-85 (1977):

"While the outer limits of [the right of autonomy] have not been marked by the Court, it is clear that among the decisions that an individual may make without unjustified government interference are personal

¹⁶ The sole exception to this unlimited access extends only to information which the Board of Ethics, at a later date, may find to be protected under the privacy mechanism.

decisions 'relating to marriage, *Loving v. Virginia*, 388 U.S. 1, 12 (1967); procreation, *Skinner v. Oklahoma, ex rel. Williamson*, 316 U.S. 535, 541-542 (1942); contraception, *Eisenstadt v. Baird*, 405 U.S. 453-454; *Id.* at 460, 463-465 (White, J., concurring in result); family relationships, *Prince v. Massachusetts*, 321 U.S. 158, 166 (1944); and child rearing and education, *Pierce v. Society of Sisters*, 268 U.S. 510, 535 (1925); *Meyer v. Nebraska*, 262 U.S. 390, 399 (1923).'

The Court of Appeals here noted its uncertainty as to the application of the autonomy analysis to this case:

"It is unclear whether financial disclosure laws significantly implicate any interest protected by the autonomy strand of the right to privacy. The Fifth Circuit has concluded that the autonomy interest does not cover 'financial privacy.' *Plante v. Gonzalez, supra*, 575 F.2d at 1132; see also *O'Brien v. DiGrazia*, 544 F.2d 543, 545 (1st Cir. 1976), *cert. denied*, 431 U.S. 914 (1977)." (App. I at 8a).

That Court continued:

"The District Court in this case however, after a careful analysis decided that financial disclosure laws may sometimes 'substantially, albeit indirectly, affect recognized autonomy interests.'" (App. I at 9a).

The evidence introduced at the trial of this matter, we believe, establishes that LL 48 will interfere with the most intimate aspects of the private realm protected by the constitutional right to privacy—the structure of the marital relationship. As we have seen (*supra* at 8-12), LL 48 will compel plaintiffs to redefine marital and family relationships in fundamental ways. This will inexorably alter the pattern of communication and decision-making that has existed within the families of many of the plaintiffs. That interference is no less substantial because the City has not directly declared that henceforth plaintiffs must structure their families to allow for full communication of financial information between spouses. That is the necessary effect

of a law that requires such communication in order for plaintiffs to comply with its terms.¹⁷

Thus the proper determination of this case by the lower courts requires the further definition of the autonomy interest protected by the constitutional right to privacy. The courts are in disagreement as to the extent of that interest and whether it is even implicated by the case at bar. We believe that it is, but this Court's review is necessary to make this clear to the Courts of Appeals.

As might be expected where the courts are in disagreement on the nature of the interests protected by the constitutional right to privacy, there is also a need for clarification as to the standard of review to apply here. This Court has required legislation that infringes upon recognized autonomy interests to promote a compelling state interest and to be the means to accomplish that purpose that is least intrusive of the constitutionally-protected interest. *Roe v. Wade*, 410 U.S. 113, 115 (1973); *Griswold v. Connecticut*, 381 U.S. 479, 485-86 (1965). This Court recently reaffirmed that a statute which imposes an "indirect" burden on autonomy interests protected by the constitutional right to privacy must be shown to advance a "compelling state interest" to survive constitutional challenge. *Akron, supra*, 76 L.Ed.2d at 701. And at least two members of this Court would appear to apply a strict scrutiny analysis to the determination of plaintiffs' claims, even absent a demonstration that autonomy interests are implicated, as we believe they are. *Nixon*, 433 U.S. at 526-27 (Burger, C.J.); *Whalen*, 429 U.S. at 606 (Brennan, J.).

¹⁷ The impact of LL 48 on marital and familial decision-making cannot be minimized by characterizing it as "indirect." *City of Akron v. Akron Center for Reproductive Health, Inc.*, — U.S. —, 76 L.Ed.2d 687 (1983) ("Akron"); *Doe v. Bolton*, 410 U.S. 179 (1973); *Planned Parenthood of Central Missouri v. Danforth*, 428 U.S. 52 (1976). In those cases, the Court held that the imposition of conditions upon an individual's decision-making would invoke the constitutional right to privacy in the same way that an absolute prohibition of a certain option would. See *Akron, supra*, 76 L.Ed.2d at 696 n.1.

Here both the Court of Appeals and the District Court employed what they described as some form of intermediate scrutiny, characterized by a "balancing" test, but they appear to mean very different things by that term. The District Court concluded:

"The plaintiff classes in this case have demonstrated that public disclosure of their finances will substantially and adversely affect recognized privacy interests, while serving no substantial public purpose." (App. II at 46a).

The Court of Appeals, while articulating a similar standard, appeared to apply in practice a "rational basis" test. App. I at 11a. To reach this result the Court of Appeals treated the plaintiffs' challenge to LL 48 as if it were a facial challenge to the law, which it expressly is not. Thus the Court of Appeals ignored the following District Court findings:

"The City made no attempt at trial to establish that public disclosure of the information secured from plaintiffs by LL 48 would enhance to any extent the investigation or deterrence of corruption or conflicts. Indeed, the City's principal witnesses explicitly disclaimed any such result. . . .

These concessions cannot be disregarded. They strongly buttress plaintiffs' claim that public disclosure of virtually every aspect of plaintiffs' finances could not conceivably lead to public scrutiny that affects public confidence in government." (App. II at 101a-103a).

Defendants offered no evidentiary support for their assertion that LL 48 furthered any governmental purpose as applied to the plaintiffs. Nonetheless, the Court of Appeals sustained the law in its entirety on the basis of defendants' conjecture as to governmental purposes which the law might further, as if it were applying a "rational basis" test:

"In this case, we cannot say that it was unreasonable for the City Council to conclude that public disclosure

would materially advance the City's attempt to prevent corruption and conflicts of interest." (App. I at 19a).

Such deference, we submit, is not appropriate where recognized interests in confidentiality and autonomy are at issue.

The District Court concluded that although "the precise standard of review remains a subject of dispute" (App. II at 67a), LL 48 transgressed any standard appropriate to the privacy interests affected because "to the extent LL 48 provides for disclosure to the public of all information collected from the plaintiff groups, limited only by the statute's 'privacy' mechanism, it fails to satisfy any standard of review other than on an improperly 'toothless' application of 'mere rationality'" (*id.* at 72a). And yet, although the Court of Appeals nominally adopted the same standard of review as the District Court, that Court held the public disclosure provisions of the statute to be constitutional in an opinion which would appear to sustain the ordinance as applied to any public employee.

The privacy interests implicated by LL 48 raise increasingly significant issues because of the prevalence of laws or regulations requiring financial disclosure by public officials or employees.¹⁸ Moreover, as the District Court pointed out, the number of persons employed by government has substantially increased in the last decade, thereby subjecting an increasing proportion of the population to such laws.¹⁹ See App. II at 142a-143a.

¹⁸ Our research indicates that thirty-seven states and the District of Columbia have financial disclosure statutes or regulations at present. In addition, the federal government and numerous local governments require certain of their officers or employees to undertake some form of financial disclosure pursuant to statute or regulation.

¹⁹ As of August 1983, public employees represent 17.5% of the total non-agricultural workforce. U.S. BUREAU OF LABOR STATISTICS, DEP'T OF LABOR, EMPLOYMENT SITUATION OF AUGUST, 1983, TABLE B1.

This case presents a unique opportunity to clarify the privacy interests affected by such laws and the standard of review to be applied. The parties have developed at trial an extensive evidentiary record as to the nature of the privacy interests impaired by LL 48 as applied to the plaintiffs, the legitimate expectations of privacy which they enjoy in their particular positions, the injuries which would result from the extension of the law to them, and the governmental purposes allegedly advanced by the law as applied to them. See *supra* at 8-13. That record provides this Court with the opportunity to clarify in important respects the nature and scope of the right to privacy on the basis of a complete evidentiary record.

This Court has never heard argument on a case presenting a constitutional challenge to a financial disclosure law. Prior to the articulation by this Court of the confidentiality interest protected by the constitutional right to privacy in *Whalen* and *Nixon*, the Court dismissed for lack of a substantial federal question three appeals from state court decisions upholding financial disclosure laws. *Montgomery County v. Walsh*, 336 A.2d 97 (Md. 1975), *app. disp.* 424 U.S. 901 (1976); *Fritz v. Gorton*, 527 P.2d 911 (Wash. 1974), *app. disp.* 417 U.S. 902 (1974); *Stein v. Howlett*, 289 N.E. 2d 409 (Ill. 1972), *app. disp.* 412 U.S. 925 (1973). Those cases involved facial challenges to statutes more narrowly drawn than LL 48.²⁰ Petitioners here have not challenged LL 48 on its face and, accordingly, as the Court of Appeals noted, have raised different, more difficult constitutional issues:

²⁰ The statutes at issue in *Fritz v. Gorton*, *supra*, and *Montgomery County v. Walsh*, *supra*, clearly would not reach employees in positions similar to those held by plaintiffs. In *Fritz* the financial disclosure statute only reached elected officials and lobbyists. 417 P.2d at 921 n.2 and 927 n.4. In *Montgomery County* the statute only applied to elected officials and appointed officials in a small number of designated positions, such as Deputy Attorney General and Deputy Comptroller. 336 A.2d at 100 n.1. It is not possible from the text of the opinion in *Stein v. Howlett*, *supra*, to determine whether the statute there at issue reached officials or employees beyond those in the highest governmental offices.

"As the district court recognized, the statute challenged in this case, and the issues raised, differ in important respects from the statutes and issues considered in the state court decisions cited above." (App. I at 7a).

The issue presented in this case is whether every public employee and his/her spouse may be required, consistently with the Constitution, to reveal to the public at large all personal financial information as a condition of employment. That is the effect of the decision of the Court of Appeals which requires such disclosure by the plaintiffs—public employees with respect to whom the District Court has entered express findings that they perform no policy-making functions and have no history of corruption or significant opportunity for corruption in their jobs. In light of the substantial number of financial disclosure laws, the significant proportion of the population subject to reporting and disclosure requirements, and the undeveloped state of the law in this area noted by the Court of Appeals, the District Court and the law review commentators, we believe that the issues presented in the instant petition warrant review by this Court.

CONCLUSION

The petition for a writ of certiorari should be granted.

Dated: New York, New York

September 16, 1983

Respectfully submitted,

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Of Counsel:

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APPENDIX I

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Nos. 1312, 1313, 1439—August Term, 1982
Argued: May 25, 1983 Decided: June 22, 1983
Docket Nos. 83-7010, 7012, 7080

JOHN J. BARRY, MARGUERITE V. BARRY and JAMES
GEBHARDT, on their own behalf and on behalf of all
others similarly situated,

Plaintiffs-Appellees,

—against—

CITY OF NEW YORK; NEW YORK CITY BOARD OF ETHICS;
EDWARD I. KOCH, as Mayor of the City of New York;
and DAVID N. DINKINS, as City Clerk,

Defendants-Appellants.

JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON, JOAN CLIN-
TON, DR. STANLEY C. FELL, and FRANK D'AMICO, on
their own behalf and on behalf of all others similarly
situated,

*Plaintiffs-Appellees-
Cross-Appellants,*

—against—

CITY OF NEW YORK; NEW YORK CITY BOARD OF ETHICS;
 EDWARD I. KOCH, as Mayor of the City of New York;
 FRANCIS T.P. PLIMPTON, as Chairman of the Board of
 Ethics; POWELL PIERPOINT and BARBARA SCOTT PREIS-
 KEL as members of the Board of Ethics; and DAVID N.
 DINKINS as City Clerk,

*Defendants-Appellants-
 Cross-Appellees.*

Before:

FEINBERG, *Chief Judge*,
 LUMBARD and WINTER, *Circuit Judges.*

City of New York and other defendants appeal from
 decision of United States District Court for the Southern
 District of New York, which struck down public inspec-
 tion provisions of City financial disclosure law. *Slevin*
 plaintiffs cross-appeal that portion of decision upholding
 constitutionality of law's filing requirements.

Affirmed in part and reversed in part.

MURRAY A. GORDON, New York, NY (Gor-
 don, Shechtman & Gordon, P.C., Rich-
 ard M. Bethel, of Counsel), *for*
Plaintiffs-Appellees-Cross-Appellants.

JOHN P. SCHOFIELD, New York, NY (Schofield
 & Dienst, New York, N.Y. Richard A.

Dienst, Karl S. Katcher, Eileen M. Schofield, of Counsel), *for Plaintiffs-Appellees*.

PAUL T. REPHEN, Assistant Corporation Counsel of the City of New York (Frederick A.O. Schwarz, Jr., Corporation Counsel of the City of New York, Leonard Koerner, Assistant Corporation Counsel, of Counsel), *for Defendants-Appellants-Cross-Appellees*.

FEINBERG, *Chief Judge*:

Defendants-appellants, the City of New York and various City officials, appeal from that portion of a decision of the United States District Court for the Southern District of New York, Abraham D. Sofaer, J., that struck down the public inspection provisions of a financial disclosure law enacted by the New York City Council. This is a consolidated appeal: the named plaintiffs in *Slevin* are employees of the New York City Fire Department and their spouses suing for themselves and others similarly situated; the similar suit in *Barry* is brought by employees of the Police Department and their spouses. The *Slevin* plaintiffs cross-appeal from that portion of the district court decision that upheld the constitutionality of the law insofar as it requires plaintiffs to file annual financial reports with the City Clerk. The opinion of the district court is reported at 551 F. Supp. 917 (1982). We affirm the district court's decision in part, and reverse in part.

I. Background

In 1975, after several years of study, the New York City Council enacted Local Law 1, New York City Admin. Code § 1106-5.0. As originally passed, Local Law 1 required a variety of City officials, candidates for City office, and all City employees whose salary was \$25,000 or greater, to file annual reports disclosing certain financial information. The law made the reports available for public inspection. Local Law 1 was upheld by the New York State Supreme Court in *Hunter v. City of New York*, 88 Misc. 2d 562 (1976). On appeal, however, the Appellate Division, First Department, invalidated the law. *Hunter v. City of New York*, 396 N.Y.S.2d 186 (1st Dept. 1977), *aff'd*, 44 N.Y.2d 708 (1978). The *Hunter* court recognized that the purpose of the law, to deter corruption and conflicts of interest among City employees, was valid. Nonetheless, the court determined that Local Law 1 was invalid insofar as it contained no mechanism to prevent automatic public disclosure of all information provided. *Hunter v. City of New York*, *supra*, 396 N.Y.S.2d at 189-90.

In response, the City Council passed Local Law 48 (hereafter LL 48), which took effect in July 1979. LL 48 amends Local Law 1 to permit covered employees to assert privacy claims with respect to any of the information the statute requires. As amended, the City's financial disclosure law requires annual financial reports from most elected and appointed officials, candidates for City office, and all civil service employees with an annual salary equal to or greater than \$30,000.¹ Covered employ-

¹ LL 48 requires the following individuals to file:

(i) the Mayor, City Council President, City Councilman, Borough Presidents, and Comptroller, and candidates for such positions (Sec. 1106-5.0a, subd. 1,2); and

ees and their spouses must provide extensive information about their personal finances, including, among other items, the identity of professional organizations from which the employee or a spouse derives \$1,000 or more in income during the preceding year; the source of capital gains of \$1,000 or more, other than from the sale of a residence; the source of gifts or honoraria of \$500 or more; indebtedness in excess of \$500 that is outstanding for 90 days or more; and the nature of investments worth \$20,000 or more.² Intentional violations of these reporting requirements are punishable by imprisonment not to exceed one year or a fine not to exceed \$1,000, or both.

The reports must be filed with the City Clerk, and may be inspected by a member of the public on request. Unlike its predecessor, however, LL 48 explicitly permits covered individuals to request that any item or items in their reports be withheld from public inspection on the ground that inspection "would constitute an unwarranted invasion of his or her privacy." In general, a privacy claim may be made at any time. When a request for access is pending, however, a privacy claim cannot be asserted for the first time, although a prior privacy claim can be supplemented on notice of a request for access.

When an inspection request is made and a privacy claim has been asserted, LL 48 requires the public members of the City's Board of Ethics³ to consider the

(ii) [e]ach agency head, deputy agency head, assistant agency head, member of any board or commission other than a member of a board or commission who serves without compensation and each city employee who is a member of the managerial pay plan or whose salary is thirty thousand dollars a year or more. . . . (Sec. 1106-5.0a, subd. 3).

² The section of the statute detailing the information required is reprinted in full as an appendix to this opinion.

³ The Board of Ethics consists of "public members of the board of ethics appointed pursuant to section twenty-six hundred of the char-

Inspectors, Lieutenants, Police Surgeons, and their spouses⁵ filed the companion action, *Barry v. City of New York*, No. 79 Civ. 4627 (S.D.N.Y.), against most of the same defendants, seeking to enjoin the application of LL 48 to the plaintiff class. The plaintiff officers in both cases are "uniformed city employees, occupying competitive civil service positions, who earn in excess of \$30,000 annually." *Slevin v. City of New York*, supra, 551 F. Supp. at 923. The district court issued a preliminary injunction enjoining the application of LL 48 to the *Slevin* plaintiffs, and later expanded the injunction against defendants to cover the *Barry* plaintiffs. The cases were then consolidated and tried on the merits.

In a wide-ranging attack on the statute, plaintiffs claimed below that as applied to them, LL 48 violated their constitutional rights under the First, Fourth, Fifth, Ninth and Fourteenth Amendments. In a comprehensive opinion, Judge Sofaer sustained the constitutionality of the statute's filing requirements, but struck down the public inspection provisions as an unwarranted invasion of plaintiffs' privacy.

On appeal, the City challenges that portion of the lower court decision invalidating LL 48's public inspection provisions. The *Slevin* plaintiffs contend in their cross-appeal that the statute should be struck down in its entirety;

⁵ According to the record before us: At the time of the hearing in this case, the *Barry* plaintiffs included 22 deputy chiefs, 39 inspectors, 81 deputy inspectors, 250 captains, 21 police surgeons and some lieutenants. Captain is the highest rank that can be attained through civil service examination. Captains normally command a precinct of 100 to 400 men. Lieutenants are a rank below captain, but the plaintiff lieutenants are those "designated as Supervisor of Detective Squad and/or Special Assignment," and apparently have a salary and responsibilities commensurate with those of police captains. Police surgeons treat police officers and determine their fitness for duty. All ranks above captain are appointed by the Police Commissioner, and involve significant supervisory responsibilities.

the *Barry* plaintiffs argue only that the district court was correct in striking down the law's public disclosure provisions. For simplicity, we deal first with the arguments raised by the City in its appeal, and by the *Slevin* plaintiffs in their cross-appeal.

II. *The City Appeal and the Slevin Cross-Appeal*

We note as an initial matter that the Supreme Court has dismissed for lack of a substantial federal question three appeals from state court decisions upholding financial disclosure laws. *Montgomery County v. Walsh*, 336 A.2d 97 (Md. 1975), appeal dismissed, 424 U.S. 901 (1976); *Fritz v. Gorton*, 527 P.2d 911 (Wash. 1974) (in banc), appeal dismissed, 417 U.S. 902 (1974); *Stein v. Howlett*, 289 N.E.2d 409 (Ill. 1972), appeal dismissed, 412 U.S. 925 (1973). These dismissals are dispositions on the merits, and are binding on "the precise issues presented and necessarily decided by those actions." *Mandel v. Bradley*, 432 U.S. 173, 176 (1977) (per curiam). But although these dismissals "caution us against finding [LL 48] unconstitutional," *Plante v. Gonzalez*, 575 F.2d 1119, 1126 (5th Cir. 1978), cert. denied, 439 U.S. 1129 (1979), they cannot, as the district court put it, "fairly be said to preclude all of plaintiffs' challenges." 551 F. Supp. at 924. As the district court recognized, the statute challenged in this case, and the issues raised, differ in important respects from the statutes and issues considered in the state court decisions cited above. *Id.* Moreover, all three dismissals occurred prior to two Supreme Court decisions that recognized a constitutional interest "in avoiding disclosure of personal matters." *Whalen v. Roe*, 429 U.S. 589, 599 (1977); *Nixon v. Administrator of General Services*, 433 U.S. 425, 457 (1977). Accordingly, this court

must "undertake an independent examination of the merits." *Mandel v. Bradley*, supra, 432 U.S. at 177.

A. *Right to Privacy*

The central issue in this case is whether LL 48 violates plaintiffs' right to privacy. The exact nature and scope of the right to privacy has never been fully defined. In *Whalen v. Roe*, however, the Supreme Court summarized the relevant case law as follows:

The cases sometimes characterized as protecting "privacy" have in fact involved at least two different kinds of interests. One is the individual interest in avoiding disclosure of personal matters, and another is the interest in independence in making certain kinds of important decisions.

429 U.S. at 598-600 (footnotes omitted). These two interests have been characterized by the Fifth Circuit as interests in "confidentiality" and in "autonomy", respectively. *Plante v. Gonzalez*, supra, 575 F.2d at 1128.

The autonomy branch of privacy protects personal choice in "matters relating to marriage, procreation, contraception, family relationships, and child rearing and education." *Paul v. Davis*, 424 U.S. 693, 713 (1976). It is unclear whether financial disclosure laws significantly implicate any interests protected by the autonomy strand of the right to privacy. The Fifth Circuit has concluded that the autonomy interest does not cover "financial privacy." *Plante v. Gonzalez*, supra, 575 F.2d at 1132; see also *O'Brien v. DiGrazia*, 544 F.2d 543, 545 (1st Cir. 1976), cert. denied, 431 U.S. 914 (1977). The Fifth Circuit reasoned that financial regulations, such as tax laws, are common in this society, and that "[t]he indirect effects caused by financial disclosure pale by comparison" with

the effects of other regulations. *Plante v. Gonzalez*, supra, 575 F.2d at 1131. The court concluded that although "financial disclosure may affect a family. . . any influence does not rise to the level of a constitutional problem." *Id.* The district court in this case, however, after a careful analysis, decided that financial disclosure laws may sometimes "substantially, albeit indirectly, affect recognized autonomy interests." 551 F. Supp. at 928. As will be seen below, however, it is not necessary for us to decide the general applicability of the autonomy branch of privacy to financial disclosure laws.

The confidentiality branch of the right to privacy was at issue in *Whalen v. Roe*, supra. In that case, the Supreme Court upheld a New York statute authorizing the state to record the names and addresses of patients who received prescriptions for certain drugs, but stated that individuals have a protectible "interest in avoiding disclosure of personal matters." 429 U.S. at 599. The existence of that interest was reaffirmed in *Nixon v. Administrator of General Services*, supra, 433 U.S. at 457, a case in which the Supreme Court upheld an Act providing for the screening of former President Nixon's presidential materials to segregate official documents for public preservation from personal documents for return to Mr. Nixon.

The nature and extent of the interest recognized in *Whalen* and *Nixon*, and the appropriate standard of review for alleged infringements of that interest, are unclear. See *J.P. v. DeSanti*, 653 F.2d 1080, 1087-91 (6th Cir. 1981) (questioning whether *Whalen* and *Roe* created any general right to non-disclosure of personal information against which infringing government actions have to be balanced). Most courts considering the question, however, appear to agree that privacy of personal matters is a

protected interest, see, e.g., *Plante v. Gonzalez*, supra, 575 F.2d at 1135; *United States v. Westinghouse Electric Corp.*, 638 F.2d 570, 577-78 (3d Cir. 1980); *Schachter v. Whalen*, 581 F.2d 35 (2d Cir. 1978), and that some form of intermediate scrutiny or balancing approach is appropriate as a standard of review, see *Slevin v. City of New York*, supra, 551 F. Supp. at 930 (listing cases). The Supreme Court itself appeared to use a balancing test in *Nixon v. Administrator of General Services*, 433 U.S. 425, 458 (1977). Moreover, an intermediate standard of review seems in keeping both with the Supreme Court's reluctance to recognize new fundamental interests requiring a high degree of scrutiny for alleged infringements, and the Court's recognition that some form of scrutiny beyond rational relation is necessary to safeguard the confidentiality interest. See *Plante v. Gonzalez*, supra, 575 F.2d at 1134. With these principles in mind, we turn to plaintiffs' contentions that the filing and public inspection provisions of LL 48 violate both the confidentiality and the autonomy strands of the right to privacy.

1. *The Filing Requirement*

The district court reached the following assessment with respect to LL 48's requirement that each covered individual file a financial report with the City Clerk:

The evidence established that autonomy and confidentiality interests will be somewhat affected by the filing requirement, but that governmental interests in deterring and detecting conflicts of interest and venality will be furthered sufficiently to justify that requirement.

Slevin v. City of New York, supra, 551 F. Supp. at 931. After reviewing the record, we agree. Plaintiffs contend

that LL 48 impairs their "constitutionally protected privacy rights in the spousal relationship" because, as the district court recognized, "[f]iling will necessarily compromise a spouse's desire to keep secret his or her finances from the filing employee. . . ." 551 F. Supp. at 931. The district court also recognized, however, that filing of information regarding spouses was necessary to make LL 48 effective. And the district court went on to conclude that "no evidence suggested that [the filing requirement] would significantly affect the decisions whether to marry, whether and when to procreate, or other family decisions heretofore held protected by the autonomy branch." *Id.* at 932.

Plaintiffs concede that this conclusion would be valid if LL 48 furthered a substantial government purpose. We think the statute as a whole plainly furthers a substantial, possibly even a compelling, state interest. The purpose of the statute is to deter corruption and conflicts of interest among City officers and employees, and to enhance public confidence in the integrity of its government. *Hunter v. City of New York*, *supra*, 396 N.Y.S.2d at 187. In addition, as the district court noted, "[f]inancial disclosure laws also derive considerable strength from the benefits widely felt to be derived from openness and from an informed public." 551 F. Supp. at 921.⁶ The Supreme Court has recognized a compelling state interest in the maintenance of an honest civil service, see *Lefkowitz v. Cunningham*, 431 U.S. 801, 808 (1977), and that "[a]n informed public is essential to the nation's success, and a

⁶ The district court went on to conclude that in this case the public right to know was outweighed by plaintiffs' privacy interests, since plaintiffs do not occupy policymaking positions. As indicated below, we do not think that on this record the distinction between policymaking positions and nonpolicymaking positions is conclusive.

fundamental objective of the first amendment." *Slevin v. City of New York*, supra, 551 F. Supp. at 921 (citing *Red Lion Broadcasting Co. v. FCC*, 395 U.S. 367, 390 (1969); *New York Times Co. v. Sullivan*, 376 U.S. 254, 269 (1964)). Whatever one may think of the intrusiveness of financial disclosure laws, they are widespread, see *Slevin v. City of New York*, supra, 551 F. Supp. at 919 n.1, and reflect the not unreasonable judgment of many legislatures that disclosure will help reveal and deter corruption and conflicts of interest.

Plaintiffs argue, however, that the filing requirement is unnecessary because all the information obtained through LL 48 is already available to the City under existing procedures, where necessary to further an authorized investigation. We agree with the district court, however, that "[t]he City is not required to rely . . . on departmental mechanisms to achieve its aims; it is entitled to opt for a centralized system of monitoring its employees' finances, even if the new procedure is less comprehensive than some departmental procedures." 551 F. Supp. at 933.

Plaintiffs in *Slevin*, which primarily involves officers of the Fire Department, also claim that LL 48 is unnecessary because there is no history of or opportunity for corruption among Fire Department Chief or Medical officers. The City contends that Fire Department employees face a variety of opportunities for corruption or conflicts of interest; e.g., a Fire Department Chief or his spouse might hold real estate investments in an area of his command subject to inspections or enforcement proceedings, or a medical officer might receive payments from a firefighter who desires to remain on paid sick leave. Plaintiffs succeeded in discrediting much of the City's evidence on this issue, and the district court determined

that "opportunities for corruption" among the Fire Department plaintiffs were "limited". 551 F. Supp. at 932-33. The court went on to find, however, that "[c]orruption and more subtle conflicts of interest are possible in each group of plaintiff employees." *Id.* at 933. We agree with this assessment. In our view, the City Council could reasonably conclude that LL 48 would help deter corruption and conflicts of interest in the Fire Department, despite its "virtually corruption-free history." 551 F. Supp. at 932 n.11.

Plaintiffs also challenge the establishment of a \$30,000 threshold disclosure level as both underinclusive and overinclusive. We consider that argument at some length below, in the context of our discussion of the public inspection provision of LL 48.

Plaintiffs' final privacy argument with respect to the filing requirements is that LL 48 lacks adequate security precautions to prevent inadvertent disclosure of financial reports. *Cf. Whalen v. Roe*, supra, 429 U.S. at 605-06 (discussing importance of security measures); *United States v. Westinghouse Electric Corp.*, supra, 638 F.2d at 580. Plaintiffs do not point to any instances in which material covered by a privacy claim has been inadvertently released since the statute was enacted in 1979. We would expect that the City will treat the LL 48 reports "with the same degree of confidentiality now accorded private information in the City's personnel records," *Slevin v. City of New York*, 551 F. Supp. at 949 n.21, and that it will take adequate precautions to prevent inadvertent disclosure of material protected by a privacy claim. On this record, we cannot say that the statute must be invalidated for lack of adequate security measures.

2. *The Public Inspection Requirement*

More difficult constitutional questions are raised by the provision of LL 48 that permits public inspection of plaintiffs' annual financial reports. The adverse effect of public disclosure on privacy interests is considerably greater than the effect of disclosure to the City; at the same time, the City's interest in public inspection is weaker in significant respects than its interest in obtaining financial information for internal review. Nonetheless, we think the statute, as strengthened by the privacy claim procedures, withstands constitutional scrutiny even with respect to the broad public inspection requirement.

As the district court noted, "[t]he degree of intrusion stemming from public exposure of the details of a person's life is exponentially greater than disclosure to government officials." 551 F. Supp. at 934 (citations omitted). Plaintiffs contend that public disclosure will impair their autonomy interests by forcing them to redefine their marital and family relationships. The district court found that "public filings will reveal in some instances facts that could damage a variety of associations and relationships." 551 F. Supp. at 935. In addition, the district court found that "[p]ublic disclosure will directly and materially affect the confidentiality interests of filers and their spouses," *id.*, citing a variety of examples, such as the possibility of an embarrassing revelation "that one lives above or below one's means." *Id.*

We recognize that public disclosure of financial information may be personally embarrassing and highly intrusive. Unlike the district court, however, we think that the statute's privacy mechanism adequately protects plaintiffs' constitutional privacy interests.

An employee filing a financial report may make a claim of privacy with respect to any item of information sought by the City by explaining in writing the reasons for the request. Privacy claims are not adjudicated by the Board of Ethics unless a request for public inspection is made; while this may leave the filer in a state of uncertainty as to the eventual outcome of his privacy claim should an inspection request ever be made, we do not think that by itself is of constitutional significance. If a privacy claim has been made and someone requests access to the claimant's report, the matter is referred to the Board of Ethics for evaluation. As indicated above, the Board must consider three factors in evaluating a privacy claim: whether the item is highly personal; whether it relates to the claimant's duties; and whether the item involves a possible conflict of interest.

We do not think that the right to privacy protects public employees from the release of financial information that is related to their employment or indicative of a possible conflict of interest. Nor do we think the release of information that is not "highly personal" rises to the level of a constitutional violation.

Moreover, the record does not support plaintiffs' contentions that the privacy mechanism is inadequate. According to an affidavit of one of the members of the Board of Ethics, twenty-six privacy claims have come before the Board. Sixteen were granted, six were withdrawn, and one was "otherwise disposed of." Only three privacy claims were denied, apparently because insufficient information was provided in support of the claims.

When an inspection request is made, the filer is notified of the identity of the person seeking access. According to the City, the filer is then afforded the opportunity to present additional material in support of his privacy

claim. If the privacy request is denied, the City informs us that the filer has ten days in which to seek reconsideration by the Board or judicial review. In light of the actual experience with the privacy procedure discussed above, we think this process affords plaintiffs an adequate opportunity to contest the disclosure of any information whose release might violate their right to privacy.

The *Slevin* plaintiffs argue that the affidavits relied on by the City to support its contentions with respect to the actual operation of the privacy claim mechanism are not properly before this court. According to plaintiffs, the affidavits, which were submitted to the district court after trial on a motion for a new trial, are inadmissible because they consist primarily of matter alleged on information and belief, and because plaintiffs did not have an opportunity to conduct discovery, cross-examine the affiants, or introduce rebuttal evidence. Ordinarily, we might be inclined to remand the case to the district court to clarify this issue. But we see no need for that procedure here.

The contested affidavits were before the district court on defendants' motion for a new trial, which was denied even in the absence of any rebuttal evidence from the plaintiffs. Moreover, plaintiffs do not contest the accuracy of the information regarding the actual disposition of privacy claims; indeed, they rely on the same facts to support their claim that the privacy procedures are inadequate.

Plaintiffs characterize defendants' statements that filers may supplement their privacy claims when a request for access is made, and that filers are given adequate time to seek judicial review when a privacy claim has been denied as "a hitherto unknown construction of the statute," but do not actually contest the accuracy of these assertions. We note that Judge Sofaer relied on the

affidavits in finding that in practice filers are afforded a "meaningful opportunity for judicial review." The statute itself explicitly authorizes the Board of Ethics to "establish procedures for the consideration" of privacy requests. Accordingly, it is clearly within the Board's power to afford filers an opportunity to supplement existing privacy claims when a request for access is made, and to provide an adequate opportunity to seek judicial review when a claim is denied. We therefore rely on the City's assurances that the privacy mechanism so operates in practice.

The City further informs us that a filing employee may specify that he does not want information released to particular persons or groups, and that the Board of Ethics may deny an inspection request if the Board "has reason to believe that the person or organization making the request is not acting in good faith or is attempting to obtain the information for some inappropriate or improper purpose." Again, plaintiffs claim that this is a novel and possibly erroneous construction of the statute, and that there is no indication in the record that the Board of Ethics operates in this fashion. Nothing in the statute requires the Board of Ethics to consider the identity of the person seeking access, but nothing appears to bar the Board from doing so either. Whether or not the Board follows the sensible practice of considering the identity of the person requesting access, however, we think the privacy procedure is adequate to protect plaintiffs' rights. We note by way of comparison that courts have upheld financial disclosure laws that hit much closer to home and do not have any similarly broad privacy mechanism. See, e.g., *Duplantier v. United States*, 606 F.2d 654 (5th Cir. 1979), cert. denied, 449 U.S. 1076 (1981) (upholding Ethics in Government Act). However,

in view of the apparent confusion as to the exact operation of the privacy mechanism, the City might be well advised to explain it more fully to the affected City personnel.

In any event, we think the City's interest in public disclosure outweighs the possible infringement of plaintiffs' privacy interests. Plaintiffs argue that the City's efforts to deter corruption and conflicts of interest would be as well served by disclosure to the City only as by public disclosure. We disagree.

In the City's view, public disclosure will significantly bolster its efforts to deter official malfeasance. The City cites the example of the 1972 Knapp Commission investigation, which uncovered extensive corruption in the Police Department, and determined that despite charges of corruption, no serious official investigation was made until the press publicized the allegations. According to the City, public disclosure of financial reports will spur City agencies and officials to be aggressive in their efforts to police corruption, if only for fear that evidence of misconduct might be found in a financial report and publicized by the press, a public interest group, or a vigilant citizen. In addition, the City contends that public disclosure will enhance public confidence in the integrity of City government if only because the reports will demonstrate that most City officials and employees are honest and not subject to conflicts of interest in the performance of their duties.

The district court was not persuaded by the City's arguments. But as the Supreme Court noted in *Whalen v. Roe*, *supra*, 429 U.S. at 597 (footnotes omitted);

State legislation which has some effect on individual liberty or privacy may not be held unconstitutional simply because a court finds it unnecessary, in whole

or in part. For we have frequently recognized that individual States have broad latitude in experimenting with possible solutions to problems of vital local concern.

In this case, we cannot say that it was unreasonable for the City Council to conclude that public disclosure would materially advance the City's attempt to prevent corruption and conflicts of interest.

As noted above, plaintiffs also challenge the \$30,000 threshold disclosure level. Plaintiffs contend that unlike the plaintiffs in *Plante v. Gonzalez*, supra, 575 F.2d 1119, or in *Duplantier v. United States*, supra, 606 F.2d 654, they are not all public figures, nor do they all occupy policymaking positions "with substantial discretion over the disposition of valuable goods." They conclude that the pro-disclosure balance reached in *Plante* and *Duplantier* is therefore inappropriate here. But the fact that many of the plaintiffs are not public figures or policymaking officials does not immunize them from all possibilities of corruption or conflict of interest. Indeed, as noted earlier, the district court in holding the filing requirement constitutional found that corruption and conflicts of interest are possible in each group of plaintiffs. Given the magnitude of the City's interests, we think the constitutional balance still tips in favor of permitting public disclosure.

The district court decided that the potential for corruption does not justify "across-the-board, public disclosure of finances." 551 F. Supp. at 940. In addition, the district judge found that the \$30,000 level was both overinclusive and underinclusive. *Id.* at 940-44.

We recognize that full disclosure is burdensome, and that some City employees earning less than \$30,000 might have opportunities for corruption, while others earning

more than \$30,000 might not. Moreover, we agree with the district court that the statute would be better if it specified the "particular job categories" that should be subject to disclosure, and defendants themselves concede that "it may now be time" to consider raising the threshold for reporting "to take into account the effect of inflation since 1979." Nonetheless, we cannot say that the statute must therefore fall. Ordinarily, legislative classifications of this sort must stand unless "very wide of any reasonable mark." *Buckley v. Valeo*, 424 U.S. 1, 83 n.111 (1976) (per curiam). And the City argues that there are too many positions involved to permit classification by particular job categories, a determination that it is difficult for a court to characterize as erroneous. In any event, however, the burden imposed by an imprecise classification, and by the broad nature of the required disclosure, is mitigated by the statute's privacy mechanism, which permits covered employees to challenge the proposed release of irrelevant "highly personal" information. Accordingly, we cannot say that the law is unconstitutionally overbroad or that it violates the constitutional right to privacy.

B. Additional Constitutional Claims

Plaintiffs also contend that LL 48 violates their rights under the Fourth and First Amendments. We agree with the district judge that there is little merit to these arguments.

1. Fourth Amendment

Plaintiffs contend that they have a reasonable expectation of privacy with respect to the disclosure of financial information, and that therefore the Fourth Amendment shields them from compelled disclosure. It is doubtful,

however, whether the Fourth Amendment applies in this context. See *Whalen v. Roe*, supra, 429 U.S. at 604 n.32. Moreover, as the district court noted, plaintiffs plainly have no reasonable expectation that the information sought by LL 48 can be withheld from their employers. 551 F. Supp. at 925. In addition, even if plaintiffs have a reasonable expectation of privacy with respect to public disclosure, the Fourth Amendment prohibits only unreasonable inquiries. Cf., e.g., *California Bankers Association v. Shultz*, 416 U.S. 21, 59-70 (1974); *Camara v. Municipal Court*, 387 U.S. 523, 536-39 (1967). As stated above, we cannot say that the demands of LL 48, as limited by its privacy mechanism, are unreasonable.

2. *First Amendment*

Plaintiffs also contend that LL 48 impairs their First Amendment rights of freedom of association and speech, because it will force disclosure of organizational activities and affiliations. The district court found, however, that plaintiffs failed to demonstrate that LL 48 would "significantly inhibit the exercise of their first amendment rights." 551 F. Supp. at 927. We agree with the district court that on this record the threat that LL 48 will significantly interfere with plaintiffs' First Amendment rights is "too remote". See *id.*; *Plante v. Gonzalez*, supra, 575 F.2d at 1132-33.

II. *The Barry Appeal*

The *Barry* plaintiffs challenge only the public inspection provisions of LL 48. For the most part, their arguments parallel those of the *Slevin* plaintiffs, and the *Barry* plaintiffs incorporate by reference the arguments presented by the *Slevin* plaintiffs. The principal difference

between the two groups of plaintiffs, for purposes of this appeal, is the different opportunities for corruption and conflicts of interest available to each group. Unlike the Fire Department, the Police Department "has a history of pervasive corruption." *Slevin v. City of New York*, supra, 551 F. Supp. at 933 n.12. Moreover, the district court found that "corruption in the Department . . . has markedly diminished, but it persists." *Id.* Thus, the City's justification for seeking financial disclosure from the *Barry* plaintiffs and for permitting public inspection of their reports is stronger than in the case of the *Slevin* plaintiffs. Accordingly, our decision of the *Slevin* appeal controls the disposition of the *Barry* appeal.

Conclusion

After reviewing the record and considering all of plaintiffs' arguments, we conclude for the reasons stated above that LL 48 is constitutional in its entirety as applied to the plaintiffs. Accordingly, we affirm that portion of the district court's opinion relating to the filing requirements, and reverse that portion of the opinion dealing with the public inspection requirements.

APPENDIX

b. The report shall contain the following information:

1. List the name, address and type of practice of any professional organization in which the person reporting or his spouse, is an officer, director, partner, proprietor or employee, or serves in any advisory capacity, from which income of one thousand dollars or more was derived during the preceding calendar year.

2. List the source of each of the following items received or accrued during the preceding calendar year by the person reporting or his spouse.

(a) any income for services rendered, other than any source of income otherwise disclosed pursuant to paragraph one, of one thousand dollars or more;

(b) any capital gain from a single source of one thousand dollars or more other than from the sale of a residence occupied by the person reporting;

(c) reimbursement for expenditures of one thousand dollars or more in each instance;

(d) honoraria from a single source in the aggregate amount of five hundred dollars or more;

(e) any gift in the aggregate amount or value of five hundred dollars or more from any single source received during the preceding year, except as otherwise provided under the election law covering campaign contributions.

3. List each creditor to whom the person reporting or his spouse was indebted for a period of ninety

consecutive days or more during the preceding calendar year in an amount of five thousand dollars or more.

4. List the identity of each investment and each parcel of real property in which a value of twenty thousand dollars or more was held by the person reporting or his spouse at any time during the preceding calendar year, based on the cost thereof or when acquired by means other than purchase, an estimate of the value at the time of receipt.

5. List the identity of each trust or other fiduciary relation in which the person reporting or his spouse held a beneficial interest having a value of twenty thousand dollars or more during the preceding calendar year.

6. (a) Indicate if the total amount of income received from each and every source listed (1) pursuant to the provisions of paragraph one and subparagraphs a, b and c of paragraph two of this section is at least one thousand dollars but less than five thousand dollars, at least five thousand dollars but less than twenty-five thousand dollars; at least twenty-five thousand dollars but less than one hundred thousand dollars or one hundred thousand dollars or more; and (2) pursuant to the provisions of subparagraphs d and e of paragraph two of this section is less than one thousand dollars; at least one thousand dollars but less than five thousand dollars; at least five thousand dollars but less than twenty-five thousand dollars; at least twenty-five thousand dollars but less than one hundred thousand dollars or one hundred thousand dollars or more.

(b) Indicate if the total amount of indebtedness owed each creditor listed pursuant to paragraph three of this section was at least five thousand dollars but less than twenty-five thousand dollars; at least twenty-five thousand dollars but less than one hundred thousand dollars; at least one hundred thousand dollars but less than five hundred thousand dollars or over five hundred thousand dollars.

(c) Indicate if the total value of each investment and real property interest identified pursuant to paragraph four of this section and each beneficial interest identified pursuant to paragraph five of this section was during the reporting period, at least twenty thousand dollars but less than one hundred thousand dollars; at least one hundred thousand dollars but less than five hundred thousand dollars or five hundred thousand dollars or more.

APPENDIX II

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

79 Civ. 4524 (ADS)

79 Civ. 4627 (ADS)

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JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and on
behalf of all others similarly situated,

-against-

CITY OF NEW YORK; NEW YORK CITY BOARD OF
ETHICS; EDWARD L. KOCH, as Mayor of the
City of New York; and DAVID M. DINKINS
as City Clerk,

Defendants.

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JOHN J. BARRY, MARGUERITE V. BARRY and
JAMES GREBHARDT, on their own behalf and
on behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK; NEW YORK CITY BOARD OF
ETHICS; EDWARD I. KOCH, as Mayor of the
City of New York; and DAVID M. DINKINS,
as City Clerk,

Defendants.

- - - - - x

OPINION AND ORDER

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ABRAHAM D. SOFAER, D.J.:

These class actions present a challenge to one of the scores of financial disclosure laws adopted by legislatures at all levels of American government since the political scandals of the Nixon Administration. Plaintiffs represent uniformed members of the New York City Fire and Police Departments who earn over \$30,000 per year, and their spouses. They challenge the constitutionality of Local Law 48 of 1979, N.Y.C. Admin. Code § 1106-5.0 (hereinafter "LL 48"), a financial disclosure law enacted by the New York City Council and approved by the Mayor. Plaintiffs claim that LL 48, as it applies to them, violates their constitutional rights under the first, fourth, fifth, ninth, and fourteenth amendments to the United States Constitution.

Financial disclosure laws were recognized long before the "Watergate" scandal as a potentially useful device for discover-

ing and deterring conflicts of interest. Post-Watergate developments, however, have dramatically expanded the number, scope, and impact of disclosure laws. Few jurisdictions had adopted disclosure laws prior to 1970; those that existed in general applied to officials holding policymaking positions, and required disclosure, limited to the government involved or to other interested persons, of financial facts relevant to the work of the reporting officer. Since then, hundreds of such laws have been adopted at all levels of government; they frequently apply to large groups of employees, including civil service personnel having little or no important policymaking power and they require disclosure to all members of the public, irrespective of any need to know or purpose in knowing, of all the financial facts concerning the reporting employee or official as well as those concerning all members of the reporting

person's family.¹

The significance of these developments has been heightened by the large number of Americans now employed by government. Furthermore, since many financial disclosure laws affect not only the privacy of government employees but also the privacy of their spouses and other household members, the number of affected individuals is far greater than the number of employees actually covered. Financial disclosure laws thereby potentially invade the privacy of millions of Americans as individuals and in their marital and family relations.²

Legislatively mandated financial disclosure laws do not normally violate the first, fourth, or fifth amendments to the Constitution. If any constitutional principle provides protection against disclosure of private, financial information it is the concept of privacy. Justice Harlan, in his illuminating dissent in Poe v. Ullman, 367 U.S. 497, 540 (1961), recognized that the

Constitution is "the basic charter of our society, setting out in spare but meaningful terms the principles of government." The Constitution must protect "legitimate expectations of privacy," he wrote, not only against physical or electronic invasions but against "all unreasonable intrusion of whatever character." Id. at 550. See also Olmstead v. United States, 277 U.S. 438, 478 (1928) (Brandeis, J., dissenting). More recently, the Supreme Court has indicated that the interest in avoiding disclosure of personal information is constitutionally protected. Nixon v. Administrator of General Services, 433 U.S. 425 (1977); Whalen v. Roe, 429 U.S. 589 (1977). Yet, while virtually every court that has considered financial disclosure laws has stated that the Constitution shields individual and family privacy as to financial matters, few courts have placed constitutional limits of any sort on legislatures requiring financial

disclosures and providing that they be available to the public.³

Powerful reasons explain why courts have properly been restrained in reviewing disclosure laws on privacy grounds. The right of privacy, as protected by common law and the Constitution, relates to private revelations or direct public regulation of intimate activity, rather than to disclosures by government of information obtained and published for some public purpose.⁴ Financial disclosure laws are analogous to long accepted, lawful techniques for obtaining information reasonably necessary for governmental objectives. Furthermore, the objectives sought by financial disclosure laws are in principle unassailable and theoretically justify a broad scope of inquiry. Honest government is so patently a worthy objective, and the capacity for venality in human behavior is so profound and ingenious, that virtually any disclosure

law however intrusive might be rationally justifiable. Financial disclosure laws also derive considerable strength from the benefits widely felt to be derived from openness and from an informed public. Justice Brandeis, an eloquent advocate of privacy, said: "Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman." Brandeis, Other People's Money and How the Bankers Use It 62 (1914), quoted in Plante v. Gonzalez, 575 F.2d 1119, 1127 n. 13 (5th Cir. 1978). The interest in an informed citizenry also supports a legislature's decision to adopt financial disclosure legislation. An informed public is essential to the nation's success, and a fundamental objective of the first amendment. See Red Lion Broadcasting Co. v. FCC, 395 U.S. 367, 390 (1969); New York Times Co. v. Sullivan, 376 U.S. 254, 269 (1964).

The absence of any clear constitutional provision expressly protecting privacy no doubt adds to the judiciary's reluctance to fashion limits on laws justified as seeking to make government more ethical. None of the more specific and relatively well-defined provisions of the Bill of Rights applies to financial disclosure legislation. Courts are therefore left to consider possible limits based only upon the general right of privacy, an interest that permeates our constitutional scheme but finds no specific expression. While some former Justices of the Supreme Court could peer into the constitutional penumbra and discern with confidence the contours of the privacy right, less visionary readings now prevail. The sweeping claims generally advanced by plaintiffs challenging such laws have made judicial involvement even less tenable than the interests at stake might warrant. Courts have rarely if ever been provided the

evidence in specific cases that might establish the propriety of limited protections against the overbroad use of an otherwise proper legislative device.

To the extent plaintiffs in these cases have presented a facial attack on LL 48, their challenge must fail. The Supreme Court's affirmances without opinion of three decisions upholding disclosure laws leave no room for an attack on LL 48's constitutionality as a whole. But plaintiffs in this case insisted, refreshingly, that the Court consider their particular claims, and not merely pass on the law as an abstract exercise. They produced comprehensive evidence of the law's purposes, its legislative background, its scope, its expected effects, and its potential utility. They also proved facts about themselves as municipal servants and human beings, the jobs they do, their record of performance, their fears and feelings.

Plaintiffs introduced strong evidence to support their claims that they should be relieved entirely of the burdens and intrusions created by LL 48. One could reasonably conclude from their evidence that LL 48 is a thoughtless and unwise intrusion by the City into the lives of many of its most valued employees. But the City is constitutionally free to abuse its employees and their families, so long as in doing so it is seeking to achieve a proper objective through a defensible means. Furthermore, with respect to the law's obligation that plaintiffs file the forms required by LL 48, plaintiffs lack any strong expectation of privacy, since such information is already available to the Fire and Police Departments, and the City was able to establish that disclosures of the information to City government might help deter and detect conflicts of interest and venality.

Plaintiffs did succeed, however, in

establishing that on the present record the public disclosure aspect of the challenged law would interfere substantially with their privacy interests in autonomy and confidentiality. The law contains a mechanism that would enable covered employees to seek to have highly personal matters kept from public view. But that mechanism would itself be greatly destructive of privacy. Plaintiffs also proved that the public disclosure component of LL 48 serves no defensible purpose with respect to plaintiffs in this case. Public disclosure serves the useful purposes of deterring and detecting corruption, of enabling the public to perform its legislative and elective roles, and of increasing public confidence in and knowledge about government by enabling the public to evaluate all the facts relevant to public issues, including the financial facts about government policymakers. But these purposes lacked any evidentiary support or rational basis in this

particular case. Plaintiffs are not elected, and they lack policymaking roles; rather, they are civil servants who achieved the lower managerial ranks of their agencies through success on competitive exams, after many years of service. The law's purpose as to these plaintiffs appears to be disclosure for disclosure's sake.

On the basis of the findings and conclusions that follow in this opinion, therefore, the City's financial disclosure law is upheld insofar as it requires disclosure to the City government of the family financial data sought from the plaintiff groups. The law is invalid, however, insofar as it mandates disclosure of all the information collected from the plaintiff groups, to any person irrespective of purpose or need.

I.

LL 48 requires, on pain of criminal penalty,⁵ that all covered individuals file annual financial statements with the City.

The ordinance covers candidates for City office, most elected and appointed officials, and all civil service employees of the City who earn \$30,000 per year or more.⁶ LL 48 requires that these people disclose the following information:

"the name, address and type of practice of any professional organization in which the person reporting or his spouse" has any interest "from which income of one thousand dollars or more was derived during the preceding calendar year", § 1106-5.0b, subd. 1;

the source of items "received or accrued during the preceding calendar year" by the employee or his or her spouse constituting income for services rendered of \$1,000 or more, § 1106-5.0b, subd. 2;

each capital gain of \$1,000 or more from a single source, other than from the sale of the reporting person's residence, id.;

reimbursement for expenditures of \$1,000 or more "in each instance" and honoraria or gifts from a single source aggregating \$500 or more, id.;

each creditor to whom the employee or spouse owed \$500 or more for 90

days or more during the preceding year, § 1106-5.0b, subd. 3;

the value and address of each investment or parcel of real property worth \$20,000 or more held by the person reporting or spouse, § 1106-5.0b, subd. 4;

and each trust or other fiduciary relation in which the employee or spouse held a beneficial interest having a value of \$20,000 or more, § 1106-5.0b, subd. 5.

The identity, source, and amount of each of the foregoing must be reported in detail.

§§ 1106-5.0b, subd. 1-6.

The completed forms are filed with the City Clerk, who must automatically make them available to any member of the public, § 1106-5.0c, unless the employee has requested the City's Board of Ethics in writing that a specific item be withheld because public disclosure of it would constitute an unwarranted invasion of privacy, § 1106.5d.

No action is taken on privacy claims until a request for inspection of a particular form is filed by a member of the public. When a request for inspection is made, the

law requires that the public members of the Board of Ethics rule on all privacy claims after considering three factors: whether the item is of "a highly personal nature"; whether it "in any way relates to the duties of the position held by such person"; and whether it "involves an actual or potential conflict of interest." § 1106-5d, subd. 2. The Board must render a written decision and forward it to the City Clerk. The Clerk may then make the form requested available for disclosure, except those items exempted from disclosure by a decision of the Board. § 1106-5d, subd. 4.

LL 48 is a modified version of a disclosure law passed by the City Council in 1975, Local Law 1 of 1975 ("LL 1"). The New York courts declared the public disclosure provisions of LL 1 invalid because the law did not safeguard privacy interests. Hunter v. City of New York, 58 A.D.2d 136, 396 N.Y.S.2d 86 (1st Dep't 1977), aff'd, 44 N.Y.2d 708, 376 N.E.2d 928, 405 N.Y.S.2d 455 (1978). LL 48 differs from LL 1 prin-

cipally in that the Council added the "privacy mechanism" just described.

After passage of LL 48 in 1979, certain members of the New York City Fire Department and their spouses filed one of the instant actions to enjoin its application to them.

Slevin v. City of New York, No. 79 Civ. 4524 (S.D.N.Y.). The plaintiff classes in

Slevin include Fire Department Battalion Chiefs, Deputy Chiefs, Medical Officers, and the spouses of these three officer classes.

The officers involved are all uniformed city employees, occupying competitive civil service positions, who are required to file financial disclosure reports because they earn over \$30,000 annually. This Court preliminarily enjoined application of LL 48 to these plaintiffs on September 6, 1979.

Slevin v. City of New York, 477 F. Supp.

1051 (S.D.N.Y. 1979). Just prior to issuance of that preliminary injunction, certain members of the New York City Police Depart-

ment and their spouses filed the companion action, Barry v. City of New York, No. 79 Civ. 4627 (S.D.N.Y.), challenging LL 48 as applied to them. The Barry plaintiffs also represent four groups: Captains, Lieutenants, Police Surgeons, and their spouses. All the officers represented are uniformed city employees, occupying competitive civil service positions, who earn in excess of \$30,000 annually. On September 10, 1979, the preliminary injunction issued in Slevin was expanded to include the Barry plaintiffs. The matters were consolidated, and tried on the merits, after which the parties briefed the issues prior to submitting the case for judgment.

II.

Defendants urge the outright rejection of plaintiffs' claims, because the Supreme Court has dismissed for lack of a substantial federal question three appeals from decisions by state supreme courts upholding financial disclosure laws. Montgomery County v. Walsh, 274 Md. 489, 336 A.2d 97 (1975), app. dis-

missed, 424 U.S. 901 (1976); Fritz v. Gorton, 83 Wash. 2d 275, 517 P.2d 911 (en banc), app. dismissed, 417 U.S. 902 (1974); Stein v. Howlett, 52 Ill. 2d 570, 289 N.E.2d 409 (1972), app. dismissed, 412 U.S. 925 (1973). These dismissals are dispositions on the merits, binding on "the precise issues presented and necessarily decided by those actions." Mandel v. Bradley, 432 U.S. 173, 176 (1977) (per curiam); see Hicks v. Miranda, 422 U.S. 332, 344 (1975); Port Authority Bondholders Protective Comm. v. Port of New York Authority, 387 F.2d 259, 262 n.3 (2d Cir. 1967). They do indeed foreclose several of plaintiffs' claims, especially in conjunction with other Supreme Court decisions. But they cannot fairly be said to preclude all of plaintiffs' challenges. Here, as in Plante v. Gonzalez, 575 F.2d 1119, 1125 (5th Cir. 1978), cert. denied, 439 U.S. 1129 (1979), the statute at issue differs from each of the statutes up-

held in those cases, and the nature of the challenge made in this case differs in important respects from the challenges to those statutes.

All three dismissals involved facial challenges to the disclosure laws at issue; here, plaintiffs challenge LL 48 as it applies to them. Furthermore, none of the dismissed cases focused on the constitutionality of requiring public disclosure by employees with little or no policymaking authority. In Fritz v. Gorton, supra, only disclosure by elected officials, candidates for elective office, and lobbyists was at issue. The ordinance challenged in Montgomery County v. Walsh, supra, unlike LL 48, provided for disclosure by employees only "where it is determined by designated authority that it is 'desirable to promote the trust and confidence of the citizens of the County,'" and exempted from the filing requirements persons whose job responsibilities posed little like-

likelihood of conflict of interest or corruption. 336 A.2d at 102. The Illinois Supreme Court's opinion in Stein v. Howlett, supra, was based entirely upon state law, and, as in Fritz and Montgomery County, the appeal to the United States Supreme Court was dismissed in 1973, before the Supreme Court's decisions in Whalen v. Roe, 429 U.S. 589 (1977) and Nixon v. Administrator of General Services, 433 U.S. 425 (1977), which both recognized a constitutional "interest in avoiding disclosure of personal matters." Whalen v. Roe, 429 U.S. at 599.

The plaintiff classes in this case have demonstrated that public disclosure of their finances will substantially and adversely affect recognized privacy interests, while serving no substantial public purpose. The Supreme Court has not considered the public disclosure aspects of disclosure laws on a full evidentiary record, revealing both the effects of and need for disclosure to the government and to the public of private information obtained from particular groups of

employees. Consequently, although the dismissals for lack of a substantial federal question may "caution . . . against finding [LL 48] unconstitutional", Plante v. Gonzalez, supra, 575 F.2d at 1126, this Court must "undertake an independent examination of the merits," Mandel v. Bradley, supra, 432 U.S. at 177.

III.

Plaintiffs argue that LL 48 infringes their fourth amendment right to be free of unreasonable searches and seizures, their fifth amendment right against compelled self-incrimination, their first amendment rights of free speech and association, and their fourteenth (or ninth) amendment right to privacy, that is, their right not to be deprived of the liberty interest in privacy without due process of law. Only the privacy claim has merit, and only to the extent delineated below.

A. The Fourth Amendment

The fourth amendment guarantees "[t]he right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures"

U.S. Const. amend. IV. "[T]he evil the amendment was designed to prevent was broader than the abuse of a general warrant," Payton v. New York, 445 U.S. 573, 585 (1980), though the amendment has not been "translated into a general constitutional "right to privacy," Katz v. United States, 389 U.S. 347, 350 (1967). The fourth amendment seems applicable to governmental acquisition of information whatever means are chosen, see generally California Bankers Ass'n v. Shultz, 416 U.S. 21, 59-63 (1974) (discussing relevance of fourth amendment to reporting income as required by federal tax statutes); certainly it applies "to the orderly taking under compulsion of process," United States v. Morton Salt Co., 338 U.S.

632, 651 (1950). "[T]he Fourth Amendment protects people, not places, ... and whenever an individual may harbor a reasonable 'expectation of privacy,' ... he is entitled to be free from unreasonable governmental intrusion." Terry v. Ohio, 392 U.S. 1, 9 (1968) (citations omitted).

Plaintiffs have not argued that the fourth amendment limits the uses to which information legitimately "seized" may be put. Therefore, plaintiffs do not contend that the amendment is directly relevant to the provisions permitting public access to the forms. See Slevin Plaintiffs' Post-Trial Memorandum at 72-74. Insofar as the City has required filing, however, plaintiffs argument fails because they lack the requisite expectation of privacy. See Whalen v. Roe, supra, 429 U.S. at 602. An employee in the upper echelons of the Fire or Police Department, or his or her spouse, cannot reasonably expect to keep his financial

dealings and holdings, or his address, or any other information required by LL 48, secret from his employer. Plaintiffs established at trial that all of the information sought by LL 48 is available to the Fire and Police Departments through confidential, in-house inquiries. Transcript of Trial (Nov. 6, 7, 12, 13, 1980) at 524-25 [hereinafter "T."]; Transcript of Trial (Dec. 3, 1980) at 60-68 [hereinafter "T.D."].

If the plaintiffs had a reasonable expectation of privacy, the filing regulations would nevertheless satisfy the fourth amendment. In this context the amendment demands only reasonableness, i.e., that the information sought be "particularly described" and relevant to an inquiry the investigating agency is authorized to make, and that the legislative judgment have a reasonable basis. California Bankers Ass'n v. Shultz, supra, 416 U.S. at 62-63; Camara v. Municipal Court, 387 U.S. 523, 536-37 (1967);

Oklahoma Press Pub. Co. v. Walling, 327 U.S. 186, 208-09 (1946); O'Brien v. DiGrazia, 544 F.2d 543, 546 (1st Cir. 1976), cert. denied, 431 U.S. 914 (1977). The uniform application of the filing regulations leaves no room for discretionary abuse by enforcement officers and therefore requires no warrant to curb narrowly focused intrusions into the privacy rights of those regulated. See Camara v. Municipal Court, supra, 387 U.S. at 530-32; See v. City of Seattle, 387 U.S. 541, 544 (1967); cf. Nixon v. Administrator of General Services, 433 U.S. 425, 464 n. 26 (1977). The information sought by the forms is uniform, described in detail, and relevant in general to the proper governmental objectives of investigating and deterring conflicts of interest. While the scope of inquiry mandated by LL 48 is broad, it cannot be equated with a general warrant, since each type of information sought has logical relevance to valid governmental objectives.

B. The Fifth Amendment

Plaintiffs also assert that LL 48 "implicates the Fifth Amendment protection against compelled testimony that may be self-incriminating." Slevin Plaintiffs' Post-Trial Memorandum at 74-75. Methods employed by the state in requiring disclosures must be "consistent with the limitations created by the privilege." Marchetti v. United States, 390 U.S. 39, 44 (1968). LL 48 affixes a criminal penalty to failure to respond to the questionnaire, so it exerts real compulsion upon covered employees. See Counselman v. Hitchcock, 142 U.S. 547, 562 (1892). Further, LL 48 elicits "testimony" rather than requiring production of pre-made financial records. See Fisher v. United States, 425 U.S. 391, 408 (1976). Where the information an individual is asked to provide is "testimony which might tend to show that [he] had committed a crime," Counselman v. Hitchcock, supra, 142 U.S. at 562; see Lefkowitz v. Turley, 414 U.S. 70, 77 (1973), the filer is entitled to assert

his or her privilege against self-incrimination.

But the fact that the privilege might be available to individuals within the plaintiff classes does not invalidate the law. Like the fourth amendment, the self-incrimination clause of the fifth amendment is not "a general protector of privacy [T]he Fifth Amendment protects against 'compelled self-incrimination, not [the disclosure of] private information.'" Fisher v. United States, supra, 425 U.S. at 401 (quoting United States v. Nobles, 422 U.S. 225, 233 n.7 (1975)). Thus, the privilege does not justify refusal to file an income tax return simply because certain disclosures might tend to incriminate. United States v. Sullivan, 274 U.S. 259 (1927). This is not a case like Marchetti v. United States, 390 U.S. 39 (1968), or Grosso v. United States, 390 U.S. 62 (1968), where the compulsory disclosure applied only to a group "the

great majority of whom [are] likely to incriminate themselves by responding." Garner v. United States, 424 U.S. 648, 660 (1976). Plaintiffs exerted much effort at trial successfully establishing that only a small proportion of class members are engaged in criminal activity. True, the disclosure forms at issue are not directed to the public at large; but, as with tax returns, "[t]he great majority of persons" filing these forms will "not incriminate themselves" by filing. Garner v. United States, supra, 424 U.S. at 661.

Nor does LL 48 improperly coerce plaintiffs to waive the privilege. As with income tax statutes, if the form calls for answers that a particular filer is privileged from making he can raise the objection on the form. United States v. Sullivan, supra, 274 U.S. at 263. A conviction under LL 48 for failure to respond "cannot be based on a valid exercise of the privilege." Garner v. United States, supra, 424 U.S. at 662. "As long as a valid and timely claim of privi-

lege is available as a defense" for failure to file, the fifth amendment is not violated. Id. at 665. Moreover, plaintiffs could not be discharged from their jobs solely because they claimed the privilege on the form, because the form does not contain "questions specifically, directly, and narrowly relating to the performance of [their] official duties...." Gardner v. Broderick, 392 U.S. 273, 278 (1968) (footnote omitted). Neither the statute nor the questionnaire makes the prohibited suggestion that a failure to waive the privilege will result in dismissal. See Garrity v. New Jersey, 385 U.S. 493, 497-98 (1967). Finally, the questionnaire's failure to inform filers of the availability of the privilege is not a constitutional violation, since the ordinance is not part of a focused investigation. See Escobedo v. Illinois, 378 U.S. 478, 490-91 (1964).⁷

C. The First Amendment

Plaintiffs have failed to establish that

LL 48 will significantly inhibit the exercise of their first amendment rights of speech and association. LL 48 was not adopted for the purpose of requiring disclosure of organizational membership. Statutes that require such disclosures have been held to violate the first amendment where they were found to have been intended to restrain the freedom of association. See, e.g., Louisiana ex rel. Gremillion v. NAACP, 366 U.S. 293 (1961); Shelton v. Tucker, 364 U.S. 479 (1960); NAACP v. Alabama ex rel. Patterson, 357 U.S. 449 (1958). Here, as Judge Wisdom noted in Plante v. Gonzalez, supra, 575 F.2d at 1132, "memberships, associations, and beliefs are revealed, if at all, only tangentially." The law requires disclosure of certain assets, income, debts, gifts, and reimbursements, and therefore neither focuses on some political or religious financial relationships as opposed to others, nor discriminates among those political or religious affiliations that might be revealed. Moreover, the filing require-

ments do not seek "to expose" first amendment activities "for the sake of exposure," Watkins v. United States, 354 U.S. 178, 200 (1957), or specifically for the purpose of revealing political associations, Gibson v. Florida Legislative Investigation Comm., 372 U.S. 539, 558 (1963), but rather for the sake of revealing potential financial conflicts of interest or financial indices of corruption, whatever their source.

To establish a first amendment violation in these circumstances, plaintiffs must show that the law would unreasonably inhibit the exercise of their first amendment rights. They failed to demonstrate that "economic reprisal, loss of employment, threat of physical coercion, and other manifestations of public hostility," Buckley v. Valeo, 424 U.S. 1, 69-70 (1976) (per curiam), would befall them because of the revelations of protected activity in the form, or that in even a single instance protected activity would be foreclosed.⁸ Conceivably, "in some particular situations," where for ex-

ample a real threat of retaliation would attend a specific disclosure, "vigorous application of [LL 48] might implicate first amendment freedoms"; but on this record "this threat is too remote to raise the issue." Plante v. Gonzalez, supra, 575 F.2d at 1132-33; cf. Buckley v. Valeo, supra, 424 U.S. at 70, 74.

IV.

Plaintiffs' strongest argument for protection is under the fourteenth amendment's guarantee of the substantive liberty interest in privacy.⁹ The right to privacy is still undefined. Whalen v. Roe, 429 U.S. 589, 598-99 & nn. 23, 24 (1977). See generally, Fried, Privacy, 77 Yale L.J. 475 (1968); Gerety, Redefining Privacy, 12 Harv. C.R.-C.L.L. Rev. 234 (1977); Kurland, The Private I, University of Chicago Magazine 7, 8 (autumn 1976); Parker, A Definition of Privacy, 27 Rutgers L. Rev. 275 (1974); Posner, The Right of Privacy, 12 Ga. L. Rev. 393 (1978). But it clearly protects "two different kinds of interests.... One is the

individual interest in avoiding disclosure of personal matters, and another is the interest in independence in making certain kinds of important decisions." Whalen v. Roe, supra, 429 U.S. at 598-600. Those two interests have been labeled interests in "confidentiality" and "autonomy." Plante v. Gonzalez, supra, 575 F.2d at 1128.

The autonomy branch of privacy, the more developed of the two, creates a zone of freedom from government restrictions on personal choice in "matters relating to marriage, procreation, contraception, family relationships, and child rearing and education." Paul v. Davis, 424 U.S. 693, 713 (1976). Cases involving government regulation of these matters establish that such laws must satisfy exacting judicial scrutiny. See, e.g., Zablocki v. Redhail, 434 U.S. 374 383 (1978); Moore v. City of East Cleveland, 431 U.S. 494, 499 (1977) (plurality opinion); Roe v. Wade, 410 U.S. 113, 155-56 (1973).

In Plante v. Gonzalez, the Fifth Circuit held that "[f]inancial privacy is not within the autonomy branch of the right to privacy." 575 F.2d at 1132; accord O'Brien v. DiGrazia, 544 F.2d 543, 545 (1st Cir. 1976), cert. denied, 431 U.S. 914 (1977). Financial regulation is widespread in this society, and its direct effects make the "indirect effects caused by financial disclosure pale by comparison." 575 F.2d at 1131. While noting the Supreme Court's recognition in Buckley v. Valeo, 424 U.S. 1, 66 (1976), that financial transactions can reveal much about a person's activities, associations, and beliefs, the Fifth Circuit in Plante found that personal finances cannot "be protected as incident to protection of the family.... There is no doubt that financial disclosure may affect a family, but the same can be said of any government action.... [A]ny influence does not rise to the level of a constitutional problem." 575 F.2d at 1131.

The analysis in Plante of the autonomy branch as it relates to financial disclosure is unassailable to the extent that it finds no "presumptive immunity from regulation" for financial affairs. Henkin, Privacy and Autonomy, 74 Colum. L. Rev. 1410, 1411 (1974). The autonomy cases do not rest on what Professor Henkin calls "hard-core privacy," or what people commonly mean by privacy. Regulation of marital affairs, or what one chooses to read, or how one wants to raise one's children, is suspect because of the matters sought to be controlled, not because the regulations intrude into bedrooms, minds, or bodies. Id. at 1424-25. "Financial affairs" in general has never been regarded under our Constitution as an area of life that in itself is so fundamental to liberty that regulation is automatically deemed suspect. Such regulation is squarely within the police power, and as an abstract proposition is if anything pre-

sumptively valid.

Financial disclosure may nevertheless substantially, albeit indirectly, affect recognized autonomy interests. The characterization - "financial" privacy - should not be permitted, by verbal trick, to relegate substantial autonomy claims to the constitutional status reserved for "economic problems, business affairs, or social conditions." See Griswold v. Connecticut, 381 U.S. 479, 482 (1965). Financial privacy is not an "economic" as opposed to a "personal" right. Financial facts are sometimes protected under the Constitution for essentially the same reasons that homes are protected - not because finances are "property," but because protecting financial affairs is in some situations a necessary means for protecting the very "personal" right of privacy. See Nixon v. Administrator of General Services, *supra*, 433 U.S. at 529 (Burger, C.J., dissenting) (privacy of "purely pri-

vate matters of family, property, investments, diaries" is interest of the highest order). Therefore, even though the adverse effects of government action on financial privacy are ordinarily insufficient to justify invoking a presumptive immunity, but see Comment, Privacy Limits on Financial Disclosure Laws: Pruning Plante v. Gonzalez, 54 N.Y.U.L. Rev. 601, 613-16 (1979), a court must still decide in each case what significance to give those effects. Autonomy and confidentiality interests are sometimes simultaneously affected, as in this case, and must be simultaneously considered, albeit by a less exacting standard than strict scrutiny. Neither should be disregarded because of a mechanical application of current, bifurcated privacy doctrine.

The right to privacy's confidentiality branch is "the individual interest in avoiding disclosure of personal matters." Whalen v. Roe, supra, 429 U.S. at 599. Protection

for legitimate expectations of privacy is premised on concern about harms caused by their violation. See California Bankers Ass'n v. Shultz, supra, 416 U.S. at 78-79 (Powell, J., concurring); City of Carmel-by-the-Sea v. Young, 2 Cal. 3d 259, 270, 85 Cal. Rptr. 1, 9, 466 P.2d 225, 233 (1970). But, as Judge Wisdom said in Plante v. Gonzalez, supra, 575 F.2d at 1135, "[w]hen a legitimate expectation of privacy exists, violation of privacy is harmful without any concrete consequential damages. Privacy of personal matters is an interest in and of itself, protected constitutionally...."

The Supreme Court has on two occasions expressly considered the confidentiality branch of privacy. In Whalen v. Roe, supra, the Court upheld New York State's prescription drug reporting requirements. The Court did not establish a standard to be applied to the interest in avoiding public disclosure of personal matters, because it was

persuaded that the law did not on its face pose "a sufficiently grievous threat to [the] interest to establish a constitutional violation." 429 U.S. at 600. The statute did not make the disclosed personal information available to the public, but rather carefully limited access to authorized state employees under a strict duty to keep it confidential. Id. at 597. Further, the law provided for destruction of the records after five years. Id. at 593. In essence, the law did not affect a reasonable expectation of privacy, because limited disclosure of potentially embarrassing medical information is "often an essential part of modern medical practice." Id. at 602. The disclosures mandated differed little "from a host of other unpleasant invasions of privacy that are associated with many facets of health care." Id.; see id. at 607 (Brennan, J., concurring).

Any doubt about the constitutional

standing of the interest in avoiding disclosure of personal matters remaining after Whalen v. Roe, supra, see id. at 608-09 (Stewart, Jr., concurring) (arguing that prior cases do not recognize the right), was removed by Nixon v. Administrator of General Services, 433 U.S. 425 (1977). In Nixon, the former President challenged the Presidential Recordings and Materials Preservation Act, which provided for the disposition of great numbers of documents and tape recordings amassed during his presidency. Comingled among many official documents in which Mr. Nixon conceded he had no privacy interest were a comparatively small number of his private communications and his wife's private files. Id. at 459. The Act and implementing regulations provided that professional archivists would examine all the materials, remove and return to the plaintiff all private matters, and preserve the official documents for the government

and the public. The Court determined that Mr. Nixon, unlike the Whalen plaintiffs, had "a legitimate expectation of privacy" in some of the materials, id. at 465, and instead of employing the "rational basis" standard, appropriate where no constitutionally protected right is at issue, the Court balanced the interests involved and upheld the law. The public interest in preserving the public documents was "important"; the screening was "essential" if the public documents were to be preserved and Mr. Nixon's privacy respected; the personal items would not be available to the public; and the government archivists' record for discretion was "unblemished." Id. at 455-65.

Whalen and Nixon make reasonably clear that actions affecting the confidentiality strand of privacy are subject to judicial scrutiny more exacting than "rational basis" review, though the precise standard of review remains a subject of dispute. Some state courts have applied variants of the

"strict scrutiny" test to such statutes. E.g., City of Carmel-by-the-Sea v. Young, supra. Plaintiffs, although labeling it a "balancing analysis," Slevin Plaintiffs' Post-Trial Memorandum at 82, argue for strict scrutiny, claiming that to be constitutional LL 48 must "promote a compelling state interest and be the means to accomplish that purpose that is least intrusive of the constitutionally-protected interest." Id. at 76. This approach seems inappropriate in reviewing statutes for breach-of-confidentiality claims. As Judge Wisdom stated for the Fifth Circuit:

In equal protection cases the Supreme Court has warned against giving heightened attention to cases involving new "fundamental interests." The Court has avoided proclaiming such a standard in the two cases raising the [confidentiality branch of privacy] issue in which it issued opinions, Whalen v. Roe and Nixon v. Administrator of General Services. It has dismissed for want of a substantial federal question three cases raising the question in financial disclosure contexts.... Subjecting financial

disclosure laws to the same scrutiny accorded laws impinging on autonomy rights, such as marriage, contraception, and abortion, would draw into question many common forms of regulations, involving disclosure to the public and disclosure to government bodies.

At the same time, scrutiny is necessary. The Supreme Court has clearly recognized that the privacy of one's personal affairs is protected by the Constitution. Something more than mere rationality must be demonstrated. Otherwise, public disclosure requirements . . . could be extended to anyone, in any situation.

Plante v. Gonzalez, supra, 575 F.2d at 1134 (citations omitted). But see

Whalen v. Roe, supra, 429 U.S. at 606

(Brennan, J., concurring) ("Broad dissemination by state officials of [personal] information . . . would presumably be justified only by compelling state interests.")

Virtually every court considering the question has, at least nominally, applied some form of intermediate scrutiny.

Nixon appears to use a balancing approach, 433 U.S. at 456-57, as defendants concede most lower courts have done. Defendants' Post-Trial Memorandum at 50. See, e.g., Stein v. Howlett, supra, 289 N.E.2d at 413; Illinois State Employees Ass'n v. Walker, 57 Ill.2d 512, 315 N.E.2d 9, 15, cert. denied, 419 U.S. 1058 (1974); Montgomery County v. Walsh, supra, Hunter v. City of New York, supra. In Plante v. Gonzalez, supra, and in Duplantier v. United States, 606 F.2d 654 (5th Cir. 1979), cert. denied, 449 U.S. 1076 (1981) the Fifth Circuit found that challenges to financial disclosure laws require courts to apply a balancing test "to determine whether the legitimate governmental interests furthered . . . outweigh [the] incidental intrusion upon plaintiffs' privacy." Duplantier v. United States, 606 F.2d at 670. Both Plante and Duplantier, however, also suggested a similar but potentially

more restrictive test requiring that such laws "substantially further important governmental interests." Duplantier, 606 F.2d at 672; see Plante, 575 F.2d at 1134. The propriety of such a test is supported by its close relation to the approach adopted by the Supreme Court in so-called "middle tier" equal protection cases. See Plyler v. Doe, 102 S.Ct. 2382, 2395 & n. 16 (1982) (education restrictions based on illegal alien status); Lalli v. Lalli, 439 U.S. 259, 275-76 (1978) (classifications based on alienage); Craig v. Boren, 429 U.S. 190, 197 (1976) (classification based on sex).

This case, however, does not turn on what precise intermediate standard of protection is applied to LL 48. To the extent LL 48 orders disclosure by the plaintiff groups to the City government, it would be upheld under the most stringent standard conceivable for such a financial

disclosure statute; it easily satisfies the balancing approach suggested by Nixon, and applied in Plante and Duplantier. On the other hand, to the extent LL 48 provides for disclosure to the public of all information collected from the plaintiff groups, limited only by the statute's "privacy" mechanism, it fails to satisfy any standard of review other than on an improperly "toothless" application of "mere rationality." See Mathews v. Lucas, 427 U.S. 495, 510 (1976).

A. Disclosure to the City Government

LL 48 prescribes a two-step process. First, each individual covered by the law must file a disclosure form with the City Clerk. Second, the Clerk is to make the forms available to members of the public, subject only to the privacy mechanism. The evidence established that autonomy and confidentiality interests will be somewhat affected by the filing requirement, but that governmental

interests in deterring and detecting conflicts of interest and venality will be furthered sufficiently to justify that requirement.

Plaintiffs concede that in-house procedures in both the Fire and Police Departments already provide the City access to all the financial information required of them by LL 48. T. 525; T.D. 68. This is not a case like American Federation of Government Employees v. Schlesinger, 443 F. Supp. 431 (D.D.C. 1978), where even though disclosures would not be made public they trench on substantial first amendment interests. Nor does it resemble Shuman v. City of Philadelphia, 470 F. Supp. 449 (E.D.Pa. 1979), where mandatory in-house disclosure of a police officer's relationship with a paramour was held to intrude upon the zone of privacy secure even from a government employer. Rather, as in Whalen v. Roe, supra, 42 U.S. at 593, and O'Brien v. DiGrazia, supra, 544 F.2d at 546, the filing require-

ment, accompanied by access limited to government investigators, would not substantially alter the status quo and therefore would not offend a substantial interest in confidentiality.

Nor will the filing requirement, coupled with government access to the forms, have a significant impact on recognized autonomy interests. Plaintiffs presented evidence that LL 48 will prevent them from making certain choices about how to structure their family life. Specifically, they established

that some employee plaintiffs choose to keep their financial affairs secret from their spouses, their children, or members of their extended family. T. 272-82.

Similarly, some spouses choose to keep their financial affairs secret from the spouse who would have to file. T. 280-83. Plaintiffs failed to establish, however, that filing or government access to the forms will in any way affect employee choice to keep

financial information from family members. Children, other family members, and even spouses need not have access to the forms prior to filing, since only the employee must verify and sign the form. Family members could acquire the information only as a result of the public disclosure provisions.

Filing will necessarily compromise a spouse's desire to keep secret his or her finances from the filing employee, and no provision is made in the law for separate filing by the spouse. Indeed, the employee, as the filer, must attest to the accuracy of the information relating to the spouse's earnings, holdings, debts, and so forth. But this interest, though substantial in some families, ¹⁰ is insufficient to invalidate the filing requirement, either in its entirety or only insofar as it applies to spouses.

Although one spouse testified that the requirement would "strain" her marriage, no evidence suggested that it would significantly affect the decisions whether to marry, whether and when to procreate, or other family decisions heretofore held protected by the autonomy breach.

Plaintiffs sought to prove at trial that the disclosure required by LL 48 would serve no useful purpose. Like LL 1 before it, LL 48 contains no declaration of policy. But, as the Appellate Division said in Hunter v. City of New York, supra, 58 A.D. 2d at 137, 396 N.Y.S.2d at 187, "the object of this ordinance is clear: to discourage and detect corruption and the appearance of corruption, avoid conflicts of interest and instill in the public a sense of confidence in the integrity and impartiality of its public servants." Plaintiffs sought to negate these as valid purposes by providing that no corruption

has been shown to have occurred in living or recorded memory within the ranks of Fire Department plaintiffs and among Police Surgeons; furthermore, opportunities for corruption among these groups of plaintiffs are limited.¹¹ Some government witnesses asserted that opportunities existed for Deputy and Battalion Chiefs to engage in corruption or to have conflicts of interests, see, e.g., T.D. 20-31, 45, particularly with respect to their supervision of inspections. Plaintiffs discredited much of this testimony, T.D. 50-56, 58, and presented credible testimony to the contrary, see T. 39-46, 54. Given Fire Inspector General Kotch's agreement that "[t]here is...no proof whatsoever of a single instance of active corruption or conflict of interest activity of a Chief Officer," T.D. 152, plaintiffs' evidence is far more credible. Corruption in the ranks of Police Captains and Lieutenants has often been demonstrated, and opportunities for

corruption exist among these groups.

Plaintiffs proved, though, that corruption among such police officers is much less frequent than in the lower ranks; that procedures already in place in the Departments serve the deterrent and detection purposes of the law; and that internal procedures are more effective than employee disclosure, because they do not depend upon employee compliance and forms that may well be little used by investigators, see T. 589.

Investigators charged with policing the integrity of employees in both the Fire and Police Departments credibly testified, however, that governmental access to the information secured by LL 48 would be of some help to them in discharging their duties, and would serve to deter conflicts of interest. T. 586, 632; T.D. 44, 99, 184-91. Corruption and more subtle conflicts of interest are possible in each group of plaintiff employees. That no corruption has been

proved among several groups of plaintiffs does not establish that improprieties have never occurred, or would never be deterred or uncovered by the filings. Inspector General Kotch expressed the view that ample opportunities for corruption exist among Battalion and Deputy Chiefs. T.D. 20-29. John Guido, Chief of the Inspectional Services Bureau of the Police Department, described how the City's Narcotics Division was long regarded as the best squad of detectives until the Knapp Investigation put some 60 of its 80 members behind bars. T. 576-77. The City is not required to rely, moreover, on departmental mechanisms to achieve its aims; it is entitled to opt for a centralized system of monitoring its employees' finances, even if the new procedure is less comprehensive than some departmental procedures. The extent to which the new system will be used, or will prove useful, is speculative. Yet, the fact that dishonest

filers may lie on the forms seems likely to prove a useful aspect of the system. Experience has shown that prosecuting individuals for false statements in required filings is often more efficient and successful than prosecuting them for the misconduct or impropriety they sought to hide; and in prosecutions for the underlying conduct, proof that the subject lied or withheld information is often potent evidence, especially as to the individual's intent.


If the centralized disclosure procedure mandated by LL 48 serves valid governmental objectives, then requiring information about spousal finances is necessary to make it effective. As the First Circuit stated in O'Brien v. DiGrazia, 544 F.2d 543, 546 (1st Cir. 1976), "[i]nformation about other members of the officer's household must also be revealed if the questionnaire is to have meaning." See T. 361, 376-79. Virtually every financial

disclosure law enacted to date has required some disclosure of family finances. See supra, note 1. "[A]s a basic proposition, resources of a husband and wife are usually held in common, and the financial interests of a spouse are generally shared by the partner. A bookkeeping arrangement wherein a spouse holds sole title to a particular financial asset does not mean that the partner does not share an interest in the financial holding...." House Select Comm. on Ethics, Legislative Branch Disclosure Act of 1977, H.R. Rep. No. 574, 95th Cong., 1st Sess. 23 (1977). "Failure to require disclosure of the financial holdings of a spouse...would render [LL 48] meaningless," because a filer "who wished to evade the financial reporting requirements of the law could easily funnel money and property to his or her spouse...." Id. at 24 (citation omitted). These considerations justify the City Council's inclusion of

spousal finances in the filing requirements of LL 48, despite the desire of some spouses to keep their finances secret from the filing employee.¹³ Moreover, the required disclosure of spousal information to the filing spouse serves yet another purpose that seems compelling. It effectively requires the filing spouse to make himself or herself familiar with the nonfiling spouse's interests, and thereby become responsible for avoiding conduct that could improperly favor the nonfiling spouse's interests.

B. Disclosure to the Public

The aspect of LL 48 that permits public access to all financial information filed by employees must be evaluated separately from the law's requirement that the forms be filed with the City. Public access to the information that must be filed under LL 48 would have a very substantial impact on the confidentiality aspect of privacy, as well as significant indirect effects



upon recognized autonomy interests. Furthermore, the government has no need for such burdensome disclosure. Any legitimate need for public access - including press access - is served here by applying the statute to employees who are elected or hold policymaking positions. The plaintiff classes are, without exception, categories of civil servants appointed and promoted on the basis of competitive tests, who have no important policymaking authority. The public disclosure provision thus deprives plaintiffs of important rights while furthering no substantial interest.

1. Impact on privacy of public disclosure

The degree of intrusion stemming from public exposure of the details of a person's life is exponentially greater than disclosure to government officials. See Nixon v. Administrator of General Services, supra, 433 U.S. at 458; Whalen v. Roe, supra,

429 U.S. at 600-02; Planned Parenthood v. Danforth, 428 U.S. 52, 80-81 (1976); O'Brien v. DiGrazia, *supra*, 544 F.2d at 546.

Disclosure to the government necessarily results in fewer persons learning of the facts disclosed than does public disclosure, which potentially reaches everyone. Disclosure to the government serves identifiable needs that limit both the persons to whom disclosure is made and the purposes for which they may use the information disclosed. By contrast, even if public disclosure is seen to serve identifiable needs, those needs do not limit the persons to whom, or the purposes for which, disclosure is made. Any person may obtain and use publicly disclosed information, and for any purpose, however improper. Government officials generally lack familiarity with a particular employee's privacy concerns, and are constrained in using private information by legal, ethical, and practical considerations, including the

need to avoid harming employee morale. Public disclosure will provide access to individuals particularly interested in the filer's privacy concerns, as well as to the press and other commercial interests bent on exploiting the information and relatively unconstrained in doing so. The mere fact that private information is available on demand to individuals who know what is sensitive and how to exploit it adds greatly to the inhibition, anxiety, and embarrassment that the same disclosure might cause if restricted to the government. T. 104-111, 243.

Plaintiffs presented several examples of how public disclosure would adversely affect autonomy interests, particularly the recognized interest in controlling one's family life. An individual (or his spouse) wanting to project an image of modest financial means could be exposed as having substantial wealth. Other filers would be

unable to avoid exposing their relative impecunity. Exposure of "the truth" could prevent filers and their spouses from choosing life styles that they believe to be beneficial to themselves or to their children. T. 238-41. Given the broad scope of disclosure ordered by LL 48, moreover, public filings will reveal in some instances facts that could damage a variety of associations and relationships, ranging from family relationships to friendships and participation in fraternal and religious activities. See, e.g., T. 239-45, 272-82. Nor is it possible to know in advance the many effects of public disclosure upon the filer's autonomy interests. For example, while the requirement that a filer reveal the address of certain real property he or she owns primarily affects a confidentiality interest, filers will have to avoid owning homes if they wish to avoid revealing their residence or summer addresses.

Public disclosure will directly and materially affect the confidentiality interests of filers and their spouses. Among those likely to use the forms are insurance salesmen seeking customers, T. 423, family members or neighbors seeking knowledge of the filer's financial capacity for a variety of purposes, T. 272-77, former spouses seeking to determine ability to pay alimony, T. 427, business organizations seeking investors or customers, public interest or other charitable organizations seeking contributions, and commercial interests seeking to expand mailing lists, T. 143. As noted above, public disclosure may lead to embarrassment that one lives above or below one's means, and will reveal many associations. The impact will be felt with respect to the disclosure of virtually every class of financial information specified by LL 48 - sources of outside income, e.g., T. 295, 345, gifts and reimbursements, e.g., T. 325,

amount and address of real property, e.g., T. 551; T.D. 178-79, identity of creditors and amount of debt.

Filers will also lose the power to minimize specific and reasonable fears for their own safety, their family's safety, and the security of their property. T. 327-28, 532; T.D. 178-79. Police officers are particularly concerned that their home addresses must be revealed, if they own homes, thereby exposing themselves and their families to possible attack by criminals whom they investigate, apprehend, or testify against. T. 327-28, 434-35, 456, 532. A government investigator called by the defense to support the need for LL 48 confirmed that policemen commonly take extreme measures to keep their addresses private; he said that he, too, would be reluctant to make his address available to individuals whom he had helped send to prison. T.D. 178-79. The law also directs the City Clerk to retain the forms until two years after the employee leaves public service; public exposure is

thereby potentially extended over decades, increasing the risk of intrusions and the resulting anxiety. T. 243.

The press seems most likely to examine disclosures, and to use the information in newspapers, television, and radio stories. See T. 490 (experience in Alabama indicates press is a principal user of disclosed information). Uncontroverted testimony indicated that on several occasions the New York press used financial information about police and fire officers in humorous or ridiculing articles about the officers or their spouses, occasionally with painful consequences to the individuals concerned. T. 84, 139-40, 244, 305, 426, 428-31, 489, 528-29, 534; T.D. 203-04 (testimony of Inspector Kotch). Press exposure of private facts is perhaps the single most persistent danger to the privacy of Americans. The right to privacy has from its inception reflected a desire to protect sensitive, personal information from an

intrusive and sensationalist press. See Warren & Brandeis, The Right to Privacy, 4 Harv. L. Rev. 193 (1890); Note, The Right to Privacy in Nineteenth Century America, 94 Harv. L. Rev. 1892 (1981]. Our nation's free and vigorous press, however, will not and must not be restrained in the lawful pursuit of even the most tasteless aims. Consequently, any protection to be afforded civil servants from press exposure having no legitimate public purpose must take the form of protecting private material from required public disclosure. Cf. New York Times Co. v. United States, 403 U.S. 713, 728-30 (1971] (Stewart, J., concurring] [national security best preserved by avoiding disclosures, not by imposing restraints on press].

Defendants argue that the privacy interests affected by LL 48 are adequately protected by the statute's mechanism for permitting individuals to apply for protection of private information. That mechanism,

however, will not prevent, and in some ways will exacerbate, invasions of legitimate expectations of privacy.

LL 48 requires that all information specified on the form be supplied in full, regardless of whether the individual filing considers the information to be private. The filer must flag each item he considers to be private, and must provide to the City a full explanation, in writing, of why "the item is of a highly personal nature." His privacy claims will not be adjudicated, moreover, until a request for public inspection is made of the City Clerk; the claims may therefore have to be repeated each year, for years, before they are actually adjudicated. When the privacy claim is adjudicated, the ordinance provides three factors for the Board of Ethics to consider: "[a] whether the item is of a highly personal nature; [b] whether the item in any way relates to the duties of the

positions held by such person; (c) whether the item involves an actual or potential conflict of interest." The Board is to make its determination in writing, and to forward it to the City Clerk, who is then to make available all information but that which the Board has excepted.

The standards provided to the Board of Ethics afford no assurance that requests by filers to keep information private will be granted, even when no need exists for public disclosure. The evidence demonstrates that plaintiffs harbor expectations of privacy for a variety of reasons that may be strongly felt but are unlikely to be deemed "highly personal." A father's wish to bring up his children without letting them know he is relatively wealthy, for example, or a filer's desire to avoid being solicited by salesmen, may not be deemed "highly personal." If so, disclosure follows automatically even though the information involved, such as

the precise amount of a person's assets or his home address, has nothing to do with the filer's duties and poses no threat of conflict of interest. Moreover, because the law makes no provision for notification of the employee in question prior to release of the information to the public, the statute provides no assurance that judicial review of Board of Ethics decisions, even if available, would be timely to prevent disclosure.

Whatever value the statutory mechanism may have is negated by the indefinite delay that occurs before a claim of privacy is resolved. The Board of Ethics rules upon such claims only after a member of the public seeks to inspect the filing of the employee seeking protection against public disclosure. The filer therefore will not know whether details about himself or his spouse will be protected or exposed to the public until a request for inspection is made, and the Board

of Ethics rules. During that period of uncertainty, the filer and his spouse must live with the continuing possibility of public disclosure. As Dr. Levin testified:

If a person fills out this form, immediately there is a fear that there may be disclosure at some future time, some unknown time, [by] some unknown person, and one begins to limit the choices, the behavioral choices. One might change the way they reared their children, perhaps someone believes that children should not know that one is wealthy and want them to develop self-reliance, and then that freedom would be limited. It could be the other way: someone could have had a very difficult life, worked very hard, his parents were very poor and he wanted his children not to know that they really had very little money and not to have that stress. You would no longer have that freedom because you certainly want to appear trustworthy to your children. So that the kind of choices you would make would be limited.

T. 242-43; see T. 173-75 (testimony of Dr. Westin). The statutory mechanism does nothing to allay the anxiety caused by loss of control over, and indeed loss of knowledge about, what information will eventually be communicated to the public. T. 104 (testi-

mony of Dr. Westin]; T. 243 (testimony of Dr. Levin). In Dr. Westin's words, the mechanism would have plaintiffs "wondering day by day whether somebody will ask for this and not knowing in advance whether the Ethics Board will accept or reject their [privacy] claim until the moment at which they are placed in jeopardy." T. 175.

Furthermore, the requirement that employees detail in writing their privacy claims will in many cases condition the opportunity to avoid one invasion of privacy on accepting a second, even more intrusive invasion. The reasons financial information may be private or personally embarrassing will almost always be more personal and private than the information itself. See T. 175. "Moreover, all privacy claims must be decided in writing, and a person losing a privacy claim will be forced to litigate or (unless regulations are adopted providing otherwise) suffer the revelation of both the

information and the fact that the privacy claim was rejected." Slevin v. City of New York, 477 F. Supp. 1051, 1058 (S.D.N.Y. 1979).

Finally, the privacy mechanism of LL 48 has the effect of placing in special jeopardy persons who succeed in obtaining protection from disclosure of particular items:

Since their reports will be publicly available except for material deemed protected, the public will be placed on notice that [a specific] aspect of the financial lives of these individuals is "highly personal." That the aspect of their lives that is withheld will have been found to have no relationship to their duties, or to raise no actual or potential conflict of interest, seems unlikely to guaranty that no effort will be made by members of the public to discover the underlying facts. Indeed, some investigators may be more interested in uncovering non-job related "highly personal" facts than in examining less intensely personal information, however job related.

Slevin v. City of New York, 477 F. Supp. at 1058. The "privacy mechanism" will therefore have the effect of flagging "highly

personal" aspects of a person's life to the public, thereby inviting focused intrusions by the press. The threat of public disclosure of the specific areas of an individual's life that involve highly personal matters seems an especially grave invasion of privacy, and further limits the utility and significance of the privacy mechanism.

2. Need for public disclosure under
LL 48

Public exposure of the financial affairs of public officials, candidates for elective offices, and government employees may serve important legislative goals. Our national, state, and local governments rely upon voter participation concerning numerous subjects. The public acts as a legislature in some circumstances, voting in referenda on various issues. In these instances, legislatures are justified in mandating public disclosure of all the information a legislature would need to

know. The public also votes to elect persons to executive, legislative, judicial, and administrative offices, at all levels of government. A legislature acts reasonably in mandating public disclosure of information necessary or even arguably helpful to the elective process, including information about the individuals seeking office. The essence of elective office "consists in putting before the voters every conceivable aspect of [one's] public and private life" Monitor Patriot Co. v. Roy, 401 U.S. 265, 274 (1971). Public disclosure under LL 48 expressly applies to the Mayor, members of the City Council, the Comptroller, the Borough Presidents, and candidates for those offices. But the financial information sought from the plaintiff classes is neither necessary nor relevant to any identified, public legislative function, and no member of the plaintiff classes is an elected official.

The public's need to know extends beyond the vast disclosures justifiable by the public's law-making and voting functions. The City argues that public confidence in the integrity of fire and police officers could be increased by public disclosure pursuant to LL 48, because the public (including the press) could thereby monitor and investigate corruption and conflicts of interest, and because of the belief that disclosure will deter the officers covered by LL 48 from corrupt or unethical acts. The City contends, more broadly, that public disclosure is justified as to employees who earn more than \$30,000, because the public has a special interest in its own employees, particularly those with relatively high salaries. "Salary is directly related to the importance of the functions of the employee and of the degree of reliance which is placed upon the integrity of their discharge, even though there are other para-

meters. Thus a measure of the danger posed by the opportunity to exercise a conflicting interest is furnished by the salary of the position." Defendants' Post Trial Memorandum at 8. Finally, and most broadly, the City claims that public disclosure under LL 48 increases the public's knowledge of matters relevant to government, and is therefore supported by the public's "right to know" of matters that make for an informed citizenry. None of these grounds provides substantial justification for public disclosure of the financial facts of plaintiffs' lives.

a. Need to control corruption and conflicts of interests.

The suggestion that the public will investigate corruption or conflicts of interest among civil servants such as plaintiffs has no evidentiary basis; while the press frequently focuses on the activities and ethics of elected and policymaking

officials, the task of investigating civil servants is generally one delegated to and carried on by government personnel. The relevant question, with respect to the possibility of increased exposure of improprieties or increased deterrence, is not whether public disclosure will expose or deter conflicts of interest, but whether it will expose or deter significantly more effectively than disclosure to the government. Furthermore, that judgment must be made in the proven context of a City whose employees are separately governed by an array of laws and procedures designed to prevent and deter corruption and conflicts. See Slevin Plaintiffs' Memorandum of Law at 23-24 (statutes collected).

The City made no attempt at trial to establish that public disclosure of the information secured from plaintiffs by LL 48 would enhance to any extent the investigation or deterrence of corruption or con-

flicts. Indeed, the City's principal witnesses explicitly disclaimed any such result. Inspector Guido, the officer in charge of investigating Police Department corruption and conflicts of interest, frankly conceded that the interests in detection, deterrence, and prevention of corruption or conflicts of interest will be fully served by disclosure of the information to his department. T. 627-28. Fire Inspector General Kotch testified to the same effect:

Speaking as an investigator, I would ...say it wouldn't impede me if [the information] was just available to investigative agencies and not to the public; although [I am] aware...that the Mayor or the City Council may think that the public has a right to such access, fortunately I am not a politician and I don't really have a pulse on what the public wants, nor do I care what the public wants.

T.D. 102; see T.D. 194. Defendants took pains, in fact, to establish the efficiency and adequacy of the City's

investigative apparatus. T. 555-59;
Defendants' Post-Trial Memorandum at 13.

These concessions cannot be disregarded. They strongly buttress plaintiffs' claim that public disclosure of virtually every aspect of plaintiffs' finances could not conceivably lead to public scrutiny that affects public confidence in government. While certain limited types of information could in connection with some members of the plaintiff classes lead sporadically to investigations and revelations that serve some public end, the statute goes far beyond requiring disclosure of information bearing upon the workings of government. Rather, LL 48 adopts the technique of systematically, and indiscriminately, ordering disclosure of all the financial facts about every person covered.

b. Need for disclosure by higher-paid employees.

The City seems primarily to rest its case for public disclosure of plaintiffs' finances on the notion that the public has a special interest in knowing about those public employees in jobs entailing a high degree of trust, and that the salary level of \$30,000 is a fair "measure of the danger posed by the opportunity to exercise a conflicting interest. ... The legislative judgment has been that the threat is significant enough to warrant disclosure at the \$30,000 level." Defendants' Post-Trial Memorandum at 8.

The notion that the public has a special interest in knowing about public employees who hold positions with a high degree of trust is in principle valid. A tangible and substantial public need to know exists with respect to government employees exercising policymaking functions, not merely for the purpose of uncovering conflicts of in-

terest, but also for the purpose of enabling the public to evaluate the motives and biases that such individuals may possess. Leading administrators in the City's agencies, for example, are called upon to recommend or decide upon actions of great public importance, which decisions might arguably be affected by their financial position or interests. The public, therefore, could conceivably learn relevant facts about the job performance of such individuals by knowing about their finances generally. Some limits may be proper on the public disclosure of facts related to such individuals. But the broad, discretionary powers of policymaking officials make them potentially proper subjects of the complete financial disclosures sought by the City in LL 48.

This basis for public disclosure by policymaking officials does not, however, extend to public employees in general. Individuals and their families may not fairly be subjected, by virtue of public employment

alone, to greater public scrutiny than other citizens. Americans do not lose their right to privacy by accepting public employment. Of course, a particular public employment may provide a legitimate nexus tending to justify public disclosure of otherwise private information. But a need for disclosure must be advanced, not merely the fact of public employment. See Plante v. Gonzalez, supra, 575 F.2d at 1134 & n. 25. Compare City of Carmel-by-the-Sea v. Young, supra, 466 P.2d at 232 (indiscriminate application of public disclosure law to all public employees unconstitutional) with County of Nevada v. MacMillen, 114 Cal. Rptr. 345, 522 P.2d 1345, 1350 (1974) (application of public disclosure law to high officials constitutional). Cf. Elrod v. Burns, 427 U.S. 347, 367-68 (1976) (plurality opinion) (constitution permits patronage dismissals of policymaking public employees but not of public employees in general).

The evidence demonstrates that policy-

making in both the Fire and Police Departments is in the hands of the Mayor's appointees, and their hand-picked professionals in the highest departmental ranks. See supra, notes 11 & 12. The officer classes covered by LL48 are engaged in implementing policy established by others. The Fire Department plaintiffs perform their duties literally in accordance with "the book" -- i.e., manuals and instructions that are issued by headquarters to govern their conduct in virtually all contingencies. T. 26-30; Slevin Plaintiffs' Proposed Findings of Fact (No. 11) at 5. While the police officers covered by LL 48 have considerable discretion in connection with their tasks, the discretion they exercise involves no general policy implications. T. 614-19. Their discretionary functions potentially subject some of them to the

temptations of graft and corruption, but theirs are not the sorts of policymaking activities that make all the fiscal facts of their lives a proper subject of general public scrutiny.

The City seemed initially to argue that at least some members of the plaintiff classes have managerial positions, routinely making policy. See Affidavit of Deborah Rothman, Esq., Sept. 21, 1979, ¶6. In fact, some Deputy Chiefs in the Fire Department, and some Captains in the Police Department, serve by special assignment in high positions, apparently involving policymaking authority. But LL 48 has no mechanism for requiring only these individuals to disclose, and the City has abandoned any effort to rely upon these assignments as a basis for justifying disclosure by all who earn more than \$30,000. The City's post-trial position is that

the issue of whether the members of plaintiffs' classes are "policy-members"

or members of the City's managerial payplan, or merely execute the policies of others, is irrelevant and immaterial. It is difficult to conceive of a public employment, other than that confined to purely physical labor, or, in some instances, to tasks which are wholly clerical, in which there is no opportunity to defeat the public interest by a divided loyalty.

It follows therefore that the "managerial" or "policy-making" role of an employee is immaterial to the final validity of the local law It is not necessary that the employee subject to disclosure be in a position to determine City policy; it is sufficient that he or she is in a position to implement that policy with respect to a significant number of employees.

Defendants' Post-Trial Memorandum at 7 &

36.

The power to implement public policy is certainly a matter that justifies public attention, and it is related as the City contends to the potential for corruption. But it no more justifies across-the-board, public disclosure of finances than does the potential for corruption alone. The economic interests of such persons are irrelevant to all issues other than potential corruption,

and the record in this case establishes that public disclosure will not add materially to the investigative or deterrent value obtained by disclosure to the City's investigative agencies. The City's proposed justification would require public disclosure of the finances of public employees who direct a "significant" number of other employees even though they exercise no policy-making authority and little discretion. The mere fact that one serves the public as a supervisor does not, however, make his financial life a valid subject of public scrutiny.

The City also argues that the salary level selected in LL 48 reflects a reasonable legislative judgment that should be enforced even though it might be both overinclusive and underinclusive of the persons whose finances should be disclosed. To support this proposition the City invokes the familiar doctrine that courts must defer to a legislature's decision to draw any reasonable

and necessary regulatory line. See Buckley v. Valeo, 424 U.S. 1, 83, 103 (1976). Deference to a legislature's line-drawing is premised, however, on the particular line's relationship to the statutory purpose, and the lack of any practicable means for fixing the line more precisely. The line chosen by the City Council is only tangentially related to the statute's purposes, and wholly unnecessary.

In Buckley v. Valeo the Supreme Court upheld \$10-and \$100-per-contribution thresholds for campaign contribution recordkeeping and reporting requirements. 424 U.S. at 82-83. It also upheld a requirement that a political party receive at least five percent of the vote in the instant or previous election in order to qualify for general election funding. Id. at 103. These thresholds differed fundamentally, however, from that at issue here. The use of a dollar figure for campaign contributions relates

directly to the reasons for requiring disclosure. As the Court said, "[a] public armed with information about a candidate's most generous supporters is better able to detect any post-election special favors that may be given in return." Id. at 67. The constitutional challenge therefore was not directed at the reasonableness of using a dollar amount as an index of influence, but instead at the dollar level chosen. The Court said: "The line is necessarily a judgmental decision, best left in the context of this complex litigation to congressional discretion." Id. at 83. Similarly, the requirement that a party receive five percent of the vote in the instant or previous general election in order to qualify for federal funding related directly to the purposes of the legislation. Congress stated a clearly legitimate interest "in not funding hopeless candidacies with large sums of public money," which "necessarily justifies the withholding of public assistance from

candidates without significant public support."

Id. at 96. The Court found that "popular vote totals in the last election are a proper measure of public support." Id. at 99-100. Again, the challenge was aimed at the percentage figure selected -- a choice that the Court said "was for Congress to make," id. at 103 -- and not at the propriety of using a percentage index to accomplish the stated goal.

In this case, the relationship between salary level and the objectives of a mandatory financial disclosure law is tenuous. The only evidence before the City Council and presented at trial proves that salary is a crude method for determining who will disclose; that the Council knew the \$30,000 line was overinclusive in that it included crane operators and others in jobs having no public policymaking functions; and that the Council never determined exactly which jobs would be covered by the \$30,000 line.

The Council knew also that LL 48 was under-inclusive in that it left unregulated such sensitive, policymaking positions as all members of the Landmarks Preservation Commission, members (other than the Chairman) of the Taxi and Limousine Commission, and employees of the Fire and Police Departments concerning whom the strongest record of corruption exists. See Slevin Plaintiffs' Memorandum of Law at 25-26; Slevin Plaintiffs' Post-Trial Reply Memorandum 17-22. In fact, the City chose a line that was a mere guess as to the importance and sensitivity of the jobs covered, and by using a dollar amount the City picked a line that will, as salaries rise, automatically extend the coverage of LL 48 to new and unknown sets of employees.

The City's \$30,000 threshold is not entitled to judicial deference for the additional reason that it is unnecessary. As Justice Holmes explained, in advocating judicial deference to legislative line-

drawing, the reasonableness of arbitrary lines lies in their necessity:

When a legal distinction is determined, as no one doubts that it may be, between night and day, childhood and maturity, or any other extremes, a point has to be fixed or a line has to be drawn, or gradually picked out by successive decision, to mark where the change takes place. Looked at by itself without regard to the necessity behind it the line or point seems arbitrary. It might as well or nearly as well be a little more to one side or the other. But when it is seen that a line or point there must be, and that there is no mathematical or logical way of fixing it precisely, the decision of the legislature must be accepted unless we can say that it is very wide of any reasonable mark.

Louisville Gas & Electric Co. v. Coleman,
277 U.S. 32, 41 (1928) (Holmes, J., dissenting);
see Buckley v. Valeo, supra, 424 U.S. at
83 n. 11.

The record establishes that the City Council had no need to draw an arbitrary line. LL 48 was carefully written to cover all the important elected and policymaking offices in City Government. It expressly applies to the Mayor, City Council President, City Councilmen, Borough Presidents, and

Comptroller, and to all candidates for those positions. It also covers all the principal officers of every agency, members of all boards and commissions who serve for pay, and employees covered by the City's managerial pay plan. See supra, note 6. Only after covering all these offices does the statute seek to include all employees earning over \$30,000. The \$30,000 line cannot, therefore, be justified as necessary to include any of the elected or policymaking personnel in City government. To the extent the City Council believed that coverage of offices in addition to those expressly covered was necessary, it could have examined particular job categories and specified which ones were to be covered; or it could have delegated the screening task to the Board of Ethics, an agency already created to deal with conflict-of-interest problems. As the record of the City Council's deliberations demonstrates, the City refused both to do the work itself, or to delegate it. ¹⁵ Rather, it simply

decided to draw an unnecessary line, only tenuously related to its objectives, and in ignorance of the relevant facts. Such a line is entitled to no special deference.

Congress recognized that a fixed, monetary line is neither sensible nor necessary in adopting the Ethics in Government Act of 1978 (the "Act"), Pub. L. No. 95-521, 92 Stat. 1851, which includes the financial disclosure statutes for the three branches of federal government. 2 U.S.C. §§ 701-09 (legislative personnel); 5 U.S.C. App. §§ 201-11 (executive personnel); 25 U.S.C. App. §§ 301-09 (judicial personnel). The Act provides a "comprehensive statute requiring full and complete public financial disclosure by high-level officials in all three branches of Federal government." S. Rep. No. 170, 95th Cong., 2d Sess. 42, reprinted in 1978 U.S. Code Cong. & Ad. News 4216, 4258. Congress defined "high-level officials" as certain enumerated officials and all

officials attaining pay grade GS-16. The GS-16 grade is the third highest pay grade in a system differentiating salary in part "in proportion to substantial differences in the difficulty, responsibility and qualification requirement, of the work performed." 5 U.S.C. §510(1)(B).¹⁶

Congress selected GS-16 as a measure of the official duties covered, moreover, and not as a proxy for a certain salary level. Officials at a lower pay grade who, due to seniority, "earn more money than an employee at GS-16, step 1, will not have to file a financial disclosure statement. It is the level of an ... employee's responsibility, as determined by the grade at which he is classified, rather than the amount of pay, that is the determining factor."

S. Rep. No. 170, supra at 110, 1978 U.S. Code Cong. & Ad. News at 4326. Congress also adopted this approach to avoid automatically extending coverage as salaries rise. "[T]he rate of compensation for [GS-16] will increase with inflation; thus, [by using GS-16 rather than salary,] more and more employees will not be covered by the public disclosure requirement over the years simply because the amount of money they are paid increases due to inflation." Id.

Nixon v. Administrator of General Services, supra, and Whalen v. Roe, supra, suggest that a similar degree of care is required in drafting all laws that adversely affect privacy. In Nixon, the Court emphasized the care taken by Congress in legislating and by the Administrator in establishing regulations for the screening of the presidential papers, 433 U.S. at 452-65, and specifically commended "the Act's sensitivity to appellant's legitimate privacy interests,"

id. at 465. Similarly, in Whalen the Court premised its deference to the legislative judgment underlying the challenged law in part on the ground that it was "a considered attempt" to deal with the drug abuse problem:

It is manifestly the product of an orderly and rational legislative decision. It was recommended by a specially appointed commission which held extensive hearings on the proposed legislation, and drew on experience with similar programs in other states.

429 U.S. at 597. Like the statute upheld in Nixon, careful and effective "security provisions" foreclosed the possibility of public disclosure, id. at 600-02, manifesting deliberate consideration of threatened privacy interests.

Thus, while the Constitution allows legislatures broad discretion in drawing necessary lines excluding and including persons in a statute's coverage, the City's selection of \$30,000 as a coverage cutoff was neither reasonable nor necessary. The legislative record demonstrates that the

\$30,000 figure was regarded by every expert and legislator who testified as both overinclusive and underinclusive, and that this imprecision was readily correctable. The \$30,000 provision, in fact, was the single aspect of the law that was questioned by representatives of the Mayor, the Board of Ethics, and the Corporation Counsel, who proposed an amendment to enable the Council to overcome the statute's imprecision by allowing the Board to exclude or include job categories in the process of administering the Act.¹⁷ But the Council refused either to delegate or to accept the task of determining whether financial disclosure by persons within a given job category would further some public purpose sufficiently to warrant the resulting invasion of privacy.

c. The public's right to know.

The City also justifies LL 48 on the general proposition that it helps insure an informed citizenry. The Supreme Court

has recognized in several contexts the strong interest in maintaining an informed citizenry. See, e.g., Red Lion Broadcasting Co. v. FCC, 395 U.S. 367, 390 (1969); Mills v. Alabama, 384 U.S. 214, 219 (1966), Lamont v. Postmaster General, 381 U.S. 301, 306-07 (1965); New York Times v. Sullivan, 376 U.S. 254, 269 (1964). Professor Emerson and others have suggested that these lines of authority provide a basis for a general right to obtain information for the purposes of personal fulfilment, seeking truth, collective decisionmaking, and effecting social change without violence or coercion. See Emerson, Legal Foundations of the Right to Know, 1976 Wash. U.L.Q. 1, 2 (authorities collected at n.2); Note, The Constitutionality of Financial Disclosure Laws, 59 Cornell L. Rev. 345, 354-61 (1974). Compare Redding v. Jacobsen, 638 P.2d 503, 506-09 (Utah 1981) (discussing authorities); Henkin, The Right to Know and the Duty to Withhold: The Case of the Pentagon Papers, 120 U.

Pa. L. Rev. 271 (1971); Comment, The Rights of the Public and the Press to Gather Information, 87 Harv. L. Rev. 1505 (1974).

Whatever limitations should be placed on the "right to know" in other contexts, the interests that support such a claim operate with special force in connection with laws requiring financial disclosure by public officials. The public's claim to information in such cases is supported by a legislative determination of the propriety of its disclosure. But limits must be placed on this asserted right to know. A principle that would justify exposure to the public of all the information that could conceivably make citizens more informed would justify virtually any disclosure law, however insubstantial the need for disclosure and however substantial the privacy interests affected. Issues of public concern so permeate our lives that each of us is potentially a significant subject of public scrutiny. Public disclosure of the tax returns of

all Americans, for example, would enable the public (including the press) to know about, investigate, and deter tax fraud by all other Americans. Yet, the need for such a law seems dubious, and the disclosures it would require would greatly compromise confidentiality and substantially affect recognized autonomy interests.

Right-to-know theorists have themselves suggested limits for public disclosure in articulating the reasons disclosures are justified. Emerson, for example, finds "a constitutional right in the public to obtain information from government sources necessary or proper for the citizen to perform his function as ultimate sovereign." 1976 Wash. U.L.Q. at 16. The limitations implicit in this principle are precisely those suggested here: in order to perform the governing function, the public must have what it needs to legislate, to elect, and to monitor its policymaking officials; the public need not have private information

about government employees who merely implement policy.

Indeed, the distinction between elected and policymaking officials on the one hand, and nonpolicymaking employees on the other, is supported by one of the principal cases relied upon to establish the public's right to know. In New York Times v. Sullivan, supra, the Supreme Court concluded that in order to preserve "the vigor and ... the variety of public debate" a "public official" must be barred "from recovering damages for a defamatory falsehood relating to his official conduct unless he proves that the statement was made with 'actual malice.'" 376 U.S. at 279-80. The Sullivan Court did not, however, "determine how far down into the lower ranks of government employees the 'public official' designation would extend for purposes of this rule." 376 U.S. at 283 n. 23. This question was subsequently addressed in Rosenblatt v. Baer, 383 U.S. 75 (1966), where the Court

found that "public official" includes "those among the hierarchy of government employees who have, or appear to the public to have, substantial responsibility for or control over the conduct of government affairs."

383 U.S. at 85. Sullivan's protection of the public's right to know limits a plaintiff's rights under the law of defamation only where the plaintiff's "position in government has such apparent importance that the public has an independent interest in the qualifications and performance of the person who holds it, beyond the general public interest in the qualifications and performance of all government employees."

383 U.S. at 86 (emphasis added). Regardless of whether some of the officer plaintiffs in this case would be deemed "public officials" in a libel action, see Gray v. Udevitz, 656 F.2d 588, 591 (10th Cir. 1981) (police officials treated as "public officials" in libel actions] (cases col-

lected), the line drawn in Rosenblatt between "public officials" and other government employees is analogous to the distinction between policymaking and nonpolicy-making personnel. A perfect match between the two distinctions is not required to demonstrate that the public's right to know may be outweighed by the rights of individuals positioned below certain points in the hierarchy of government employees; to the contrary a variance is appropriate to reflect the greater need to protect the constitutionally guaranteed right to privacy, as opposed to the common-law right to sue for defamation. Moreover, even with regard to "public officials," a libel defendant is not entitled to the protection of the "actual malice" standard if the alleged falsehood does not touch upon the official's fitness for office. Monitor Patriot Co. v. Roy, 401 U.S. 265, 273 (1971). In short, the "right to know," as reflected in the

first amendment, has been found to justify limitations on rights under the law of defamation only with respect to publications about individuals with substantial public responsibility, and only when such persons are discussed in connection with public functions.

Privacy doctrine also inferentially supports the distinction between policymaking and nonpolicymaking employees in determining the propriety of public, financial disclosure. Thus, "newsworthiness" was early recognized as potentially a proper line between the public's right to know and the individual's right to be let alone:

Although in their germinal article Warren and Brandeis do not expressly mention the first amendment, they recognize clearly the potential conflict between the individual's "right to be let alone" and the "legitimate interest to their fellow citizens" of some of the personal facts of the lives of some people. "The design of the law [of privacy]," they said, "must be to protect those persons with whose affairs the community has no legitimate concern, from being dragged into

an undesirable and undesired publicity." Conversely, they urged that "[t]he right to privacy does not prohibit any publication of matter which is of public or general interest" and "to whatever degree and whatever connection a man's life has ceased to be private, ...to that extent the protection [of privacy] is to be withdrawn."

Bloustein, The First Amendment and Privacy: The Supreme Court Justice and the Philosopher, 28 Rutgers L. Rev. 41, 54-55 (1974) (footnotes omitted) (emphasis original). A determination of what is "of public or general interest" - that is, of what is newsworthy - focuses "on whether or not the information is relevant to the public's governing purposes." Id. at 56. Thus "[p]ublic interest," taken to mean curiosity, must be distinguished from 'public interest,' taken to mean value to the public of receiving information of governing importance." Id. at 56-57.

Precisely this distinction is recognized in determining the reach of the "actual malice" standard:

[A] conclusion that the...malice standards apply could not be reached merely because a statement defamatory of some person in government employ catches the public's interest; that conclusion would virtually disregard society's interest in protecting reputation. The employee's position must be one which would invite public scrutiny and discussion of the person holding it, entirely apart from the scrutiny and discussion occasioned by the particular charges in controversy.

Rosenblatt v. Baer, supra, 383 U.S. at 86-87 n. 13. As nonpolicymaking public employees, plaintiffs are not in positions that invite public scrutiny of their financial affairs or make those affairs relevant to the public's need to fulfill its governing functions. A less restrictive view of the public's right-to-know would disregard society's interest in protecting the privacy of citizens who happen to be employed by government.

Mere invocation of the public's right to know plainly cannot resolve its proper application in this case. "The

proper boundaries of the right to know cannot be fixed by recourse to a single abstract principle." W. Gellhorn, The Right to Know: First Amendment Overbreadth?, 1976 Wash. U.L.Q. 25, 28. "Society does not choose merely between the 'good' of free speech or free press and the 'evil' of oppression. Rather, society is constantly selecting among competing values to establish its principles governing communication." Id. at 25. In his own advocacy of a right to know, Professor Emerson is careful to recognize the right to privacy as the most significant limitation on the right to know. Emerson, supra, 1976 Wash. U.L.Q. at 20-23.

Our nation has recognized the valid interest in publicly disclosing information about or relevant to all aspects of government. Yet, public disclosure is limited in every sphere and at every level of government activity, to protect a variety of interests, among the most prominent of

which is privacy. The Constitution mandates public trials in some cases, for example, for a variety of historical purposes. See U.S. Const. amend. VI; see also N.Y. Jud. Law §4 (McKinney 1968); N.Y. Civ. Rights Law §12 (McKinney 1976). The right to attend even a criminal trial, however, is not absolute. Richmond Newspapers, Inc. v. Virginia, 448 U.S. 555, 581 n. 18 (1980). Furthermore, not every judicial proceeding is open to public scrutiny; and the need to protect privacy interests is high among the considerations that justify nonpublic proceedings. See, e.g., United States ex rel. Latimore v. Sielaff, 561 F.2d 691, 695 (7th Cir. 1977) [exclusion of spectators during testimony of rape victim did not violate right to public trial]; United States ex rel. Lloyd v. Vincent, 520 F.2d 1272, 1274 (2d Cir. 1975) [exclusion of public constitutionally acceptable where necessary to maintain confidentiality of

undercover narcotics agents}; N.Y. Crim. Proc. Law §720.15 (McKinney 1971) (privacy afforded for youthful offender proceedings); 22(c) N.Y.C.R.R. §2501.2 (privacy for juvenile proceedings in Family Court); see also Redding v. Jacobsen, supra, 638 P.2d at 507 (right of courts to limit public disclosure of certain proceedings]. Similarly, grand juries function in secret, in part to avoid disclosing prior to indictment the identities of and allegations¹⁸ against grand jury targets and witnesses.

Our legislatures and their committees wield the investigative power, which is extremely broad, and has been recognized as a vehicle not only for preparing Congress to legislate, but also for securing information on matters of public concern. E.g., McGrain v. Daugherty, 273 U.S. 135 (1927]. But that great power, too, has been limited because of privacy interests. As the Supreme Court stated in Watkins v. United

States, 354 U.S. 178, 200 (1957) (footnote omitted):

[T]here is no...power to expose for the sake of exposure. The public is, of course, entitled to be informed concerning the workings of its government. That cannot be inflated into a general power to expose where the predominant result can only be an invasion of the private rights of individuals.

Cf. Gibson v. Florida Legislative Investigation Comm., 372 U.S. 539, 557-58 (1963).

The Freedom of Information Act, and analogous state and local laws, all contain provisions limiting public access where the information might compromise privacy interests. See 5 U.S.C. §552(b)(6); N.Y. Pub. Off. Law §89 (2)(b) (McKinney Supp. 1981-82]. And countless federal and state laws are on the books that expressly limit access to private information, for the purpose of protecting privacy. E.g., 26 U.S.C. §6103(a)(1) & 7213(a)(1) (tax returns confidential); 13 U.S.C. §9(a) (census information confidential); N.Y. Civ. Rights Law §50-

a(1) (McKinney 1976) (personnel records of police officers confidential absent consent of officer); N.Y. Tax Law §697(e) (McKinney's Supp. 1978) (tax returns confidential). See generally Givens, The Law on Right to Financial Privacy, N.Y.L.J., Jan. 15, 1979, p.1, col.2.

These and other limits on public disclosure apply to governmental functions no less essential than the exposure and deterrence of corruption and conflicts of interest. They reflect national values that cannot be set aside by the mere invocation of ends so vague and uncircumscribed as the need to inform the public, or the public's right to know. Where tangible privacy interests are at stake, a need for public disclosure must be tangibly alleged and established, unless the public employees involved are engaged in policymaking and are therefore proper subjects of public scrutiny.

3. Conclusion

Public disclosure of the information called for by LL 48 will seriously affect privacy interests, without advancing any substantial societal need. Plaintiffs are entitled to no less protection of their privacy than ordinary citizens; limits on their privacy rights cannot be justified on this record by special needs related to their actual employment. The federal courts must guard against the possibility that elected government officials faced with pressures for unlimited fiscal disclosure, particularly from the press upon which they depend for coverage and from which they regularly seek support, may too readily subject career government servants with no significant policymaking functions to the same degree of disclosure appropriate for themselves.

V. Severability of Filing Provisions

Plaintiffs argue that, if the Court invalidates LL 48's public disclosure provisions, the entire law must be invalidated as it applies to plaintiffs, including its filing requirement. "The intent of the lawmakers" governs whether the remainder of a statute should be enforced after a substantial part of the law has been held invalid. Carter v. Carter Coal Co., 298 U.S. 238, 312 [1936]. In enacting LL 48, the City Council was well aware that the provisions permitting public disclosure might be ruled invalid while the filing requirements would be upheld. Just such a decision was rendered in Hunter v. City of New York, supra, which invalidated the public disclosure portions of LL 48's predecessor, LL 1. With knowledge of that possibility, the Council reenacted (and relettered "subdivision (h)") in LL 48, the former subdivision (e) of LL 1, which states:

If any provision of this section shall be held invalid or ineffective in whole

or in part or inapplicable to any person or situation, it is the purpose and intent of this section that all other provisions hereof shall nevertheless be separately and fully effective and that the application of any such provision to other persons or situations shall not be affected.

The Council's clear intent was that, in the event its new "privacy mechanism" did not save the public disclosure provisions from the fate they earlier met in Hunter, the filing requirements would be preserved.

Plaintiffs' reliance on Marchetti v. United States, 390 U.S. 39, 58-60 (1968), Grosso v. United States, 390 U.S. 62, 69 (1968), and Haynes v. United States, 390 U.S. 85, 99-100 (1968) is misplaced. Severing the disclosure provisions in those cases would have harmed interests Congress wished to advance by the legislation at issue. In that posture, the Court found that it could not know how Congress would assess the competing interests that would be advanced and harmed by severing the unconstitutional aspects of the law. Marchetti v. United

States, supra, 390 U.S. at 59-60. Plaintiffs here cannot seriously contend that upholding the filing provisions will harm any interests the City Council sought to advance in LL 48. The evidence established that limited disclosure might improve the City's ability to detect and deter corruption and conflicts of interest. Limiting disclosure to the City in these circumstances would in no way undermine that goal, or decrease public confidence in government. Accordingly, given the City Council's express intent that any unconstitutional aspect of LL 48 be severed, the remainder to operate in full force, the law is invalid only insofar as it permits public disclosure of the filings made by plaintiffs.

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Plaintiffs are awarded judgment, based on the findings and conclusions stated in this opinion, invalidating subdivisions (c), (d) and (e) of LL 48 insofar as they permit the City Clerk or any other government em-

ployee to make available for public inspection information filed pursuant to the law by members of the plaintiff classes.

The Clerk will enter judgment accordingly.

SO ORDERED

Dated: New York, New York
November 24, 1982

/s/ ADS
ABRAHAM D. SOFAER
UNITED STATES DISTRICT
JUDGE

FOOTNOTES

1. Accurate data on the number and scope of disclosure laws are not readily available. The most useful compilation seems to be The Blue Book: A Compilation of Campaign, Ethics, and Lobbying Reform Laws, prepared by the Council on Government Ethics Laws, edited by Carla Bailey, and introduced into evidence as Defendant Exhibit H. The Blue Book is a 26-page summary of data collected in a survey undertaken by the Council during the summer of 1979. The data collected are very general, and apparently were not verified. But they are useful nonetheless in providing a broad outline of existing legislation.

Questionnaires were sent to responsible officials in all 50 States and the District of Columbia; 38 responded, and 13 filed no response. Of the 38 responding jurisdictions, 28 had disclosure laws that covered "Officers" of state agencies or departments, 19 had laws covering state "Employees," 16 had laws covering municipal officials and/or employees, and 15 had laws covering county officials and/or employees. Id. 9. Most disclosure laws were broad in scope, covering all the usual forms of assets and financial transactions. Id. 11-12. Of the 28 jurisdictions with some form of disclosure legislation, 25 required disclosure of "Financial Interests of Official's/ Employee's Spouse and Dependents." Id. 12. And virtually every jurisdiction reporting disclosure laws (27 of 28) made the information disclosed "Available to the Public." Id. 13. The responding jurisdictions were also asked to state the "Approximate Number of Filings Annually" under their disclosure laws. The total filings anti-

cipated by those jurisdictions in 1979 was 109,619. This number greatly understates the total persons affected, since 13 jurisdictions did not respond, since most filings cover more than one person, and because additional jurisdictions have adopted disclosure laws after the survey was conducted, including New York, which at that time reported no disclosure law. The state statutes are collected in Comment, 54 N.Y.U.L.Rev.601 n.1 (1979).

In addition to these state and local laws, the federal government's disclosure requirements are extensive, and apply to thousands of employees and their families. In 2 U.S.C. §§701-709, Congress required all federal legislators, their top aides, and candidates for Congress, to file extensive disclosure forms, including the assets of their spouses and dependent children, and made these forms available for public inspection. Similar provisions govern top executive personnel, including elected officials and candidates, appointed officials, top civil service and military personnel, 5 U.S.C. App. 201-211, and members of the federal judiciary and their top aides, 28 U.S.C. App. §§301-309. Provision is made for the President to require any federal officer or employee not included by these Acts to file. 5 U.S.C. App. §207(a). See infra, text at note 16.

2. In early 1980, 15,885,000 Americans, or 17.5 percent of the total non-agricultural work force, were employed by federal, state, or local government. Bureau of the Census. Statistical Abstract of the United States 411 (1980). Of the 15,971,000 employed by governments in October 1979, 2,869,000 were federal employees, 3,699,000 were state employees,

and 9,403,000 were employees of local governments. Id. at 318.

3. The laws have generated a storm of litigation. See, e.g., Duplantier v. United States, 606 F.2d 654 (5th Cir. 1979), cert. denied, 449 U.S. 1075 (1981); Plante v. Gonzalez, 575 F.2d 1119 (5th Cir. 1978) (cases cited at n. 8), cert. denied, 439 U.S. 1129 (1979). With limited exceptions, e.g., Hunter v. City of New York, 58 A.D. 2d 136, 396 N.Y.S.2d 186 (1st Dept. 1977), aff'd, 44 N.Y.2d 708 (1978); City of Carmel-by-the-Sea v. Young, 2 Cal.3d 259, 85 Cal. Rptr. 1, 466 P.2d 255 (1970), Advisory Opinion on Constitutionality of 1975 P.A. 227 (Questions 2-10), 396 Mich. 465, 242 N.W.2d 3 (1976), reviewing courts have upheld the laws. See generally cases collected in Note, 73 Mich. L. Rev. 758 (1975); Note, 59 Cornell L. Rev. 345 (1974); Comment, 54 N.Y.U.L. Rev. 601 (1979).

4. Brandeis and Warren sought to expand protection of privacy against "the gossip-monger," not against the lawful demands of government. The Right to Privacy, 4 Harv. L. Rev. 193, 198, 204 & n. 1, 206, 216 (1890). As they said: "The right to privacy does not prohibit any publication of matter which is of public or general interest." Id. at 214. In Poe v. Ullman, 367 U.S. 497, 553 (1961), Justice Harlan distinguished between regulations that infringe a relationship that the state fosters, such as marriage, and those aimed at enforcing relationships that the state lawfully forbids.

5. The law makes any "intentional violation" a misdemeanor punishable by a year in prison and/or a fine of up to \$1,000.

6. LL 48 requires the following individuals to file:

(i) the Mayor, City Council President, City Councilmen, Borough Presidents, and Comptroller, and candidates for such positions (Sec. 1106-5.0a, subd. 1,2); and

(ii) "[e]ach agency head, deputy agency head, assistant agency head, member of any board or commission other than a member of a board or commission who serves without compensation and each city employee who is a member of the managerial pay plan or whose salary is thirty thousand dollars a year or more...." (Sec. 1106-5.0 a, subd. 3).

7. Perhaps in a particular situation, even though a claim of valid privilege would be a defense, see Garner v. United States, supra, 424 U.S. at 667-68 (Marshall, J., concurring), the combined fears of prosecution for failure to file, of loss of a job, and of embarrassment resulting from public access to the forms, could be considered to have denied a filer the "free choice to remain silent." Id. at 665. But in that event the evidence supplied could not, under Garrity, be used against the filer in a criminal prosecution. Thus even in the hypothetical worst case, the rights safeguarded by the Fifth amendment would not be lost.

8. One plaintiff testified that the form would require him to reveal that he is reimbursed for expenditures he makes in furtherance of fund-raising activities for a parochial high school. T. 324-25. He did not suggest, however, that he would terminate his association with the school, or that the underlying fund-raising

activity would cease. Similarly, another plaintiff complained that LL 48 would require him to reveal reimbursements received from a fraternal organization of which he is secretary-treasurer. T. 270-71. Again, he did not object to publicizing his association with the particular organization, but to publicizing his receipt of funds. Without a showing that a particular financial structure is an "indispensable condition" of protected activity, cf. Richmond Newspapers, Inc. v. Virginia, 448 U.S. 555, 588 (1980) (Brennan J., concurring); Buckley v. Valeo, 424 U.S. 1, 19 (1976), that is, that in its absence meaningful exercise of first amendment rights would be foreclosed, an incidental impact on such a structure is not proscribed. See also T. 270-71.

9. The opinions of some Justices support plaintiffs' assertion that the ninth amendment provides constitutional privacy protection. See Griswold v. Connecticut, 381 U.S. 479, 486-99 (1965) (Goldberg, J., concurring); see also Redlich, Are There "Certain Rights . . . Retained by the People"?, 37 N.Y.U.L. Rev. 787 (1962). None of the cases or academic sources written after Justice Goldberg's Griswold concurrence suggest, however, that the contours of ninth amendment privacy protection are any greater than the privacy protection offered by the fourteenth amendment, as firmly established in Whalen v. Roe, 429 U.S. 589 (1977).

10. Professor Allan Westin, an expert witness, testified:

[T]he boundaries of information between husband and wife are extraordinarily subtle and sensitive, especially at a time when women,

and rightfully so, are having independent careers and independent income [N]ow you often have two working partners, each with their monies and making decisions about what they disclose [Requiring spouses to disclose their financial affairs to employee filers] raises very serious questions of family privacy and of spousal privacy and threatens the balances that have to be set very sensitively inside families....

T. 186.

11. The offices of Fire Department Deputy Chief, Battalion Chief, and Medical Officer, have a virtually corruption-free history. T. 20-22, 64-65; T.D. 78, 82, 87, 152. Officers employed in these positions have little or no contact with the public. T. 39-46, T.D. 58. Deputy and Battalion Chiefs principally perform line duties, supervising their fire companies and on-site firefighting activities. T. 22, 215-19, 266, 323. Their duties do not involve policymaking, and provide no significant opportunities for venality or conflict of interest. T. 25-31, 39-46, 54, 68, 95, 215-19, 222, 266, 288, 290-91, 323, 582-84, 590-95; T. D. 19-152. All of their duties are performed in the company of at least one aide, and often of several. Chief Officers rarely, if ever, pass on a matter that has not first been acted and reported upon by several other members of the Fire Department. Because tours of duty rotate, a matter passed on by one Chief Officer will often later come to the attention of another officer of the same rank; and all matters are routinely reviewed by superior officers. Conse-

quently, a high risk of exposure attends the limited opportunities for corruption Chief Officers may have. Evidence presented by the City reveals that only six of the approximately 400 Deputy and Battalion Chiefs have duties that present them with any significant opportunity for corruption or conflict of interest. These individuals are easily identified by job description. T. D. 50-56. With the possible exception of these six individuals, policy in the Fire Department is set by the Commissioner and his immediate staff, none of whom is in a plaintiff class. Fire Department Medical Officers also have virtually no opportunity for corruption. Their principal duty is administering medical treatment to firemen injured in the line of duty, and determining an injured fireman's fitness for duty. They have no policymaking responsibilities. Rotation of tours of duty makes it highly improbable that any injured fireman will ever be seen twice in succession by the same Medical Officer. Although Medical Officers file the first report with respect to pension eligibility of injured firemen, it is impossible for a Medical Officer acting alone to falsify a pension claim, given the administrative framework governing pensions. T. 64-70, 288-91; T. D. 38-42, 82.

Police Department Surgeons have few, if any, opportunities for corruption. T. 581-84. Fire Inspector Kotch testified that a Medical Officer could not falsify a pension claim, T. D. 137, the only area suggested by defendants to present Medical Officers opportunities for corruption. Defendants presented no credible evidence that Police Surgeons are differently situated. Their only witness on the subject was patently ignorant of the surgeons'

responsibilities and opportunities for corruption. T. 590-95.

12. Evidence established that the New York City Police Department, including the titles of Captain and Lieutenant, has a history of pervasive corruption. T. 560; Defendant's Exhibit L, The Knapp Commission Report on Police Corruption (1972) ("Report"). Substantial opportunities for conflict of interest and corruption inhere in many of these jobs. T. 543-66, 572-74, 580, 611; Report at 61-71. In recent years, corruption in the Department, and among Captains and Lieutenants, has markedly diminished, but it persists. T. 540, 562-63, 614. Police Captains and Lieutenants have primarily administrative functions, supervising police activities at the precinct level. T. 614-19.

13. One potential problem arising from LL 48 is that the filer might be liable for failure to file a complete return if his or her spouse refused to supply the necessary information. Serious constitutional problems would be raised by a prosecution under such circumstances, and perhaps even by any punishment such as discharge. The City or the State courts may, however, read into the law a "good faith effort" excuse for an employee's failure to provide spousal information. See Report of the Select Committee on Ethics, supra at 24.

14. On June 22, 1979, Ms. Carson, an assistant to the Mayor, apparently instrumental in drafting the law, told the Committee preparing it for presentation to the Council that

the use of a dollar figure is

probably overinclusive as to some people and underinclusive as to others and we would like to request that the Director of Personnel in conjunction with any other parties who should be interested in this they'll give some attention to whether there are people who are covered by the \$30,000 mark who shouldn't be and others who are not covered who ought to be

City Council Committee on Standards and Ethics, Transcript of Meeting, June 22, 1979, at 6. Ms. Grad, Counsel to the Board of Ethics, indicated later at that meeting that "[w]e think the \$30,000 figure is a good way of measuring" employees properly covered. Id. at 40. But by July 9, 1979, the day before the Council passed the law, after undertaking a " cursory examination of some titles," City Council Committee on Standards and Ethics, Transcript of Meeting, July 9, 1979, at 11, Ms. Grad had reason to propose an amendment to LL 48 that would deal with the Council's failure to determine what groups were included by that figure and the law's resulting overinclusiveness. She stated that the Board of Ethics and Corporation Counsel

are very much in favor of this amendment. . . . [W]e, believe that even at the \$30,000 threshold, there may be some titles of City employment which are not appropriate for covering and we did not conduct ourselves an examination of all the titles that would be covered but we did

look at a few and one example that sticks in my mind is a crane operator who would be covered. . . . [I]t's not at least apparent on its face that the purposes of the Act would be served by covering crane operators [T]his amendment . . . would provide the mechanism [by] which an established committee would be able to review the crane operators or what the particular duties of the title were and whether it was appropriate to cover that title and determine whether or not it would be served by that covering and therefore, no public benefit would be achieved in covering then they would have the authority to exclude that title from operator of the Act.

Id. at 2-3.

15. Well over half the final meeting on LL 48 concerned the problem of how to deal with the Committee's ignorance of whom the law would include. The record makes clear that neither the Administration that advanced the legislation nor members of the Committee that approved it made any study of the titles covered. Positions in only two or three of the many City agencies were even briefly reviewed. City Council Committee on Standards and Ethics, Transcript of Meeting, July 9, 1979, at 5. Councilmember Katzman commented at one point:

I am simply suggesting there are people earning \$30,000 a year

or more who really aren't in any position, which is one that is of confidentiality or that requires filing of financial disclosure statements.

Id. at 10-11. One witness asserted without contradiction by members of the Committee that, one day before LL 48 was passed by the Council, its proponents had no notion whose privacy it would invade and whether there was a rational need for it, see id. at 16 (testimony of Mr. Gordon); no one claimed to have endeavored to determine which City employees earned over \$30,000 and whether there was reason to require them to disclose, let alone to require that the disclosures be public.

The amendment proposed by the Board of Ethics and the Corporation Counsel, that would have enabled the Board to except employees from coverage by LL 48, see supra, note 14, failed because no committee member moved that it be adopted. Id. at 24-25. This may have been due in part to the amendment's lack of standards to guide the committee that would rule on exemptions. See id. at 19. But opposition also was based on the fear that deliberate consideration of many of the job titles included by the \$30,000 line would result in their exemption from coverage. Councilman Stern stated:

I would like to express my serious concern with the passing of any piece of legislation which then provides in it terms for it being dismantled by allowing first the Committee, Administration officials and subsequently judges to in effect revoke it....

Id. at 11. This desire to avoid a broad delegation, to prevent the law from being "dismantled," was entirely proper. But by refusing to delegate this task the Committee was then faced with the duty of addressing itself to the law's acknowledged overbreadth. It made no effort to do so, and the Council adopted the law with no further deliberation.

16. GS-16 includes only positions with the following duties:

(A) to perform, under general administrative direction, with unusual latitude for the exercise of independent judgment, work of outstanding difficulty and responsibility along special technical, supervisory, or administrative lines which has demonstrated leadership and exceptional attainments;

(B) to serve as the head of a major organization involving work of comparable level;

(C) to plan and direct or to plan and execute professional, scientific, technical, administrative, fiscal, or other specialized programs of unusual difficulty, responsibility, and national significance, requiring extended training and experience which has demonstrated leadership and exceptional attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or

(D) to perform consulting or other professional, scientific,

technical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

5. U.S.C. §5104 (16) (A)-(D) (1976) (emphasis added).

17. See supra, notes 14 & 15. The Committee was apparently ignorant, even with respect to employees in titles it knew were covered by LL 48, of whether their duties warranted coverage:

Councilmember Stern: What about a police captain?

Ms. Grad: I am not sufficiently familiar with the operations of the police department to know whether police captains, what they ought to go on.

Councilmember Stern: You don't know whether police captains should be exempt?

Ms. Grad: If it is in the neighborhood of \$30,000.

Councilmember Stern: They do.

Ms. Grad: I believe that presumptively they should

apply to the
law.

Councilmember Stern: Presumptively?
Wouldn't you
know? Should
we have the
Police Commis-
sioner or the
Corporation
Counsel come in
here?

Transcript of July 9 Meeting at 11-12.

18. See Fed. R. Crim. Proc. 6(e).
Two of the four reasons generally con-
sidered to support grand jury secrecy
are: "To prevent disclosure of deroga-
tory information presented to the grand
jury against an accused who has not been
indicted. [and] [t]o encourage com-
plainants and witnesses to come before the
grand jury and speak freely without fear
that their testimony will be made public
thereby subjecting them to possible dis-
comfort or retaliation." Pittsburgh
Plate Glass Co. v. United States, 360 U.S.
395, 405 (1959) (Brennan, J., dissenting).

See also Fed. R. Civ. P. 26 Rule 26
permits discovery of "any matter, not
privileged, which is relevant to the
subject matter involved in the pending
action . . . [u]nless otherwise limited
by order of the court in accordance with
these rules." Thus irrelevant matters,
or matters relevant but privileged accord-
ing to the Federal Rules of Evidence, are
not discoverable. Moreover, the courts
possess broad discretion to deny discovery
entirely even of relevant matters, or to
limit discovery by subject matter, by

method or terms, by who has access to material discovered, or by sealing discovered material in order "to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense." Fed. R. Civ. P. 26(c).

19. Judge Gesell of the District Court for the District of Columbia has said:

In this immediately post-Watergate period, the view exists that conflicts of interest can be expunged by forcing intimate disclosures from those dealing with or acting for the government. Within limits this may be sound, but we must beware lest excessive zeal in this direction destroy more precious fundamental values. People, even people working for the government, have within reason the right to be left alone.

American Fed'n of Gov't Employees, v. Schlesinger, supra, 443 F.Supp. at 434.

20. One Councilmember thus frankly explained his vote just before LL 48's enactment:

Very briefly, I'd like to explain my vote. I have always opposed the concept of this kind of legislation, because I don't think that it is going to serve any great public service. It will pander to the newspapers and media, who are looking for gossip bits of information. However, I'd be a political fool if I voted against this

legislation, so I vote reluctantly aye with the reservations that I have indicated.

Transcript of July 9 Meeting at 42.
See Paletz & Entrman, Media Power
Politics 249 (1981).

APPENDIX III

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

79 Civ. 4524 (ADS)

79 Civ. 4627 (ADS) January 10, 1983

-----x

JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and on
behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK; NEW YORK CITY BOARD OF
ETHICS; EDWARD I. KOCH, as Mayor of the
City of New York; and DAVID N. DINKINS
as City Clerk,

Defendants.

-----x

JOHN J. BARRY, MARGUERITE V. BARRY and
JAMES GREBHARDT, on their own behalf and
on behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK; NEW YORK CITY BOARD OF
ETHICS; EDWARD I. KOCH, as Mayor of the
City of New York; and DAVID N. DINKINS,
as City Clerk,

Defendants.

-----x

MEMORANDUM AND ORDER

ABRAHAM D. SOFAER, District Judge.

Defendants have filed a motion for a new trial pursuant to Fed. R. Civ. P. 59(a) on the ground that one of the findings in the Court's November 24, 1982 Opinion in this case is manifestly erroneous. In that Opinion, familiarity with which is assumed, the Court held Local Law 48 of 1979, N.Y.C. Admin. Code §1106-5.0 ("LL 48") unconstitutional insofar as it permitted public disclosure of financial reports it required the plaintiff classes to file with the City. The finding challenged by this motion concerns the inadequacy of LL 48's privacy mechanism. See Opinion at 36-40.

Defendants' motion ignores the grounds on which the Court concluded that LL 48's privacy mechanism "will not prevent, and in some ways will exacerbate, invasions of legitimate expectations of privacy." Opinion at 36. For example, defendants do not address the Court's concern with the

indefinite delay that attends the resolution of privacy claims under LL 48. See Opinion at 38-39. Furthermore, they fail to contradict substantially the Court's conclusion that the privacy mechanism conditions "the opportunity to avoid one invasion of privacy on accepting a second, even more intrusive invasion." Opinion at 39. The defendants do assert that privacy claims are always deleted from a filer's financial disclosure report before the report is made available to a member of the public, regardless of whether the privacy claim is upheld or denied. Affidavit of Powell Pierpoint (December 6, 1982) ¶13. While this procedure assures that a filer's reasons for making a privacy claim will not be publicly disclosed, it does not eliminate disclosure of reasons that must unavoidably take place before the Board of Ethics. The defendants do not challenge the Court's finding that "[t]he reasons financial information may be private or personally embarrassing will

almost always be more personal and private than the information itself." Opinion at 39. Moreover, the fact that privacy claims are deleted from disclosure reports in no way assures that the making of a privacy claim will remain unknown, especially if the filer presses his privacy claim through litigation. Even where a privacy claim is upheld, the existence of deletions in a filer's report will confirm that a privacy claim was made and thus "have the effect of flagging 'highly personal' aspects of a person's life to the public, thereby inviting focused intrusions by the press." Opinion at 40.

Defendants appear to rely on data concerning privacy claims that have thus far been passed upon by the Board of Ethics. According to that data, 26 privacy claims have come before the Board following requests for public disclosure of certain financial reports. Of these claims, 16 have been upheld, 3 denied, 6 withdrawn and 1 "other-

wise disposed of." Affidavit of Powell Pierpoint (December 6, 1982) ¶14. Three years experience with LL 48's privacy mechanism, however, hardly establishes reliable expectations about the volume of future privacy claims and their dispositions, especially since the experience does not include the privacy claims of members of the plaintiff classes. In any event, the data fail to establish the adequacy of LL 48's privacy mechanism. All three of the denied claims appear to have been based on privacy concerns (such as the desire to avoid commercial solicitations) expressly recognized by the Court as constitutionally significant, although unlikely to be deemed "highly personal" under LL 48's privacy mechanism. Compare Affidavit of Powell Pierpoint (December 6, 1982) ¶16 with Opinion at 33-35, 37.

The single aspect of the Court's finding concerning the law's privacy mechanism that may be misleading relates

to filer notification of the Board of Ethics' rulings on privacy claims. At the conclusion of a paragraph describing how the statute's privacy mechanism fails to protect reasonable expectations of privacy that might not necessarily be "highly personal," the Court noted: "Moreover, because the law makes no provision for notification of the employee in question prior to release of the information to the public, the statute provides no assurance that judicial review of Board of Ethics decisions, even if available, would be timely to prevent disclosure." Opinion at 37-38. In fact, LL 48 does not provide for notification of a filer concerning a Board denial of his or her privacy claim. See N.Y.C. Admin. Code §1106-5.0(d)(4). Defendants' affidavits establish, however, that in practice such notification does take place, thus affording a meaningful opportunity for judicial review. Affidavit of Denise L. Thomas, Esq. [December 6, 1982] ¶6; Affidavit of Powell Pierpoint [December 6, 1982]

¶11 & Exhibit C; Affidavit of James G.

Greilsheimer, Esq. (August 30, 1979) ¶4.

Inasmuch as the portion of the Court's opinion relating to the absence of statutory notification is inconsistent with actual practice under LL 48, it is ordered stricken. This change in no way undermines the Court's findings and conclusions as to the inadequacy of the law's privacy mechanism. The Court's reasons for finding the privacy mechanism inadequate do not relate to the availability of judicial review.

Finally, defendants' motion ignores the Court's fundamental conclusion that the public disclosure of plaintiffs' financial reports would advance no substantial societal interest. Opinion at 40-62. It is doubtful that any privacy mechanism could justify the unnecessary public disclosure of plaintiffs' financial data permitted by LL 48.

Defendants' motion for a new trial is denied. The sentence contained on pages 37 and 38 of the Court's November 24, 1982

164a

Opinion, beginning with the words "Moreover, because" and ending with the words "prevent disclosure", is hereby stricken.

SO ORDERED.

Dated: New York, New York
December 15, 1982

/s/ ADS
ABRAHAM D. SOFAER
U.S. DISTRICT JUDGE

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

79 Civ. 4524 (ADS)

79 Civ. 4627 (ADS)

-----x
JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and on
behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK; NEW YORK CITY BOARD OF
ETHICS; EDWARD I. KOCH, as Mayor of the
City of New York; and DAVID N. DINKINS
as City Clerk,

Defendants.

-----x
JOHN J. BARRY, MARGUERITE V. BARRY and
JAMES GREBHARDT, on their own behalf and
on behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK; NEW YORK CITY BOARD OF
ETHICS; EDWARD I. KOCH, as Mayor of the
City of New York; and DAVID N. DINKINS,
as City Clerk,

Defendants.

-----x
JUDGMENT

Based on the findings and conclusions stated in the Opinion and Order in these cases dated November 24, 1982, subdivisions (c), (d) and (e) of Local Law 48 of 1979, N.Y.C. Admin. Code §1106-5.0 are declared invalid insofar as they permit the City Clerk or any other government employee to make available for public inspection information filed pursuant to Local Law 48 by members of the plaintiff classes.

Judgment is hereby entered accordingly.

Dated: New York, New York
January 10, 1983

/s/ ADS
ABRAHAM D. SOFAER
UNITED STATES DISTRICT
JUDGE

JUDGMENT ENTERED:

January 10, 1983

/s/ RFB
RAYMOND F. BURGHARDT
Clerk.

APPENDIX IV

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
79 Civ. 4524

-----x
JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and on
behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK, NEW YORK CITY BOARD OF
ETHICS; EDWARD I. KOCH, as Mayor of the City
of New York; FRANCIS T.P. PLIMPTON, as
Chairman of the Board of Ethics; and POWELL
PIERPOINT and BARBARA SCOTT PREISKEL, as
Members of the Board of Ethics, and DAVID N.
DINKINS, as City Clerk,

Defendants.

-----x
OPINION
September 6, 1979

A P P E A R A N C E S:

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By: JAMES G. GREILSHEIMER, ESQ.
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 PAUL REPHEN, ESQ.
 Of Counsel

ABRAHAM D. SOFAER, D.J.

This is a civil class action brought by plaintiffs on their own behalf and on behalf of all persons employed as Battalion Chiefs, Deputy Chiefs, and Medical Officers in the New York City Fire Department, and their spouses, for a judgment declaring Local Law No. 48 ("LL 48") unconstitutional and enjoining enforcement of LL 48 pendente lite and permanently.^{1/} LL 48 is a financial disclosure law enacted by the City Counsel and approved by the Mayor, effective July 27, 1979. It is broad in scope and applies to civil service employees such as plaintiffs, who earn over \$30,000 per year, to candidates for City office, and to every elected and appointed official. A motion seeking to restrain enforcement temporarily was made on August 27, 1979, since the forms required

by the statute must be filed by September 5. After argument, it became clear to all concerned that a decision granting a preliminary injunction, rather than merely a TRO, would suit the interests of the parties as well as dispense with the need for an additional hearing within the next few days. Consequently, and on the basis of the findings and conclusions contained in this opinion, the defendants are enjoined pendente lite from enforcing LL 48 against the plaintiff classes as it is presently written and designed to operate.

I. Scope and Operation of the Challenged Statute

The information required by Section 1106-5.0 and LL 48 covers three general areas: income, debts, and property held. It applies with equal force to the employee and to his or her spouse, but not to any other member of the employee's family.

The employee must report income of over \$1,000 received by the employee or spouse

during the previous year from any "professional organization" in which the employee or spouse "is an officer, director, partner, proprietor or employee" or for which either serves in an advisory capacity. The name and address of any such organization must be provided. In addition, the report must identify any source of income over \$1,000 received by the employee or spouse for services other than those performed for a "professional organization." Any capital gain over \$1,000 from a single source must be reported, other than from the sale of a residence occupied by the reporting employee. The employee and spouse must also report reimbursements of expenditures of \$1,000 or more from a single source, and any "honoraria" of \$500 or more from a single source, giving the name and address of each such source. Finally, the employee and spouse must report all gifts totalling \$500 or more from a single source, includ-

ing presumably gifts from each other.

The employee and spouse must report all debts "to a single creditor" of \$5,000 or more "for a period of at least 90 consecutive days." Each creditor must be listed, and the form requires that the creditor's address be revealed.

Any significant wealth owned by the employee or spouse seems covered by the law. Any investment valued at \$20,000 or more must be listed and described, along with the value at time of purchase or receipt. Any real property owned which is worth more than \$20,000 must be listed, including the property's "address or precise location" and the value at the time of purchase or receipt. Finally, any beneficial interest in a trust or fiduciary relationship valued at \$20,000 or more must be listed. In all the listings required, each item's value must be described by category, with the reporting employee checking the category

applicable in his case.

The disclosures required by a predecessor of LL 48 (LL 1 of 1975) were challenged on a variety of grounds in the state courts during 1977. In Hunter v. City of New York, 58 App. Div. 2d 136, 396 N.Y.S.2d 186 (1st Dep't 1977), the statute in general was upheld on the authority of Evans v. Carey, 40 N.Y.2d 1008, 359 N.E.2d 983, 319 N.Y.S.2d 393 (1976), where the Court of Appeals upheld an executive order mandating similar financial disclosures by many State employees. But Justice Birns, in a thoughtful and unanimous opinion for the Appellate Division, declared the Act invalid insofar as it contained no mechanism for preventing automatic public disclosure. The Court of Appeals affirmed this decision, 44 N.Y.2d 708, 376 N.E.2d 923, 405 N.Y.S.2d 455 (1978), leading the City Council to amend the law to provide a mechanism by which employees might assert claims of privacy. The City

argues that the mechanism provided by LL 48 is valid and sufficient, patterned as it is on the procedure used for State employees, which was upheld in Evans and referred to with approval by the Appellate Division.

The law as it presently stands provides no mechanism by which reporting employees may be spared from reporting any item arguably required to be disclosed. Each employee must complete the reporting form provided by the City, and file the form with the City Clerk. Any question the employee may have with respect to what information must be reported must be dealt with initially by the employee. The "Information Manual on Disclosure of Financial Interests" prepared by the City does little more than repeat the words of the law. Thus, for example, if an employee is in doubt as to whether a non-cash gift worth more than \$500 must be reported, the employee must

privacy claim is asserted. The City Clerk must notify the filing employee whenever a request "is made" to examine the employee's report. But the City Clerk has published no regulations or rules indicating whether such notification will be given before or after the report is revealed; whether the names and/or addresses of persons seeking such information will be recorded and preserved by the City Clerk, or will be provided to the reporting employee; or whether the persons seeking the report will be asked to give any reason they may have for wanting the information. In the absence of any guidance on these matters, employees (and this Court) must assume the reports will be revealed automatically, without notice or record of the specific individual seeking the information, or of his or her claimed purpose or need.

Those employees who seek protection for information they have been forced to include in reports must go through a

mandatory procedure that is exacting and requires detailed revelation of the individual's claim. The Information Manual makes clear there are "NO EXCEPTIONS" to the following, three-step process:

1. The employee must state the nature of the information to be kept private and the number and letter of the item in the disclosure report containing the information.
2. The employee must state the reasons why the particular information should be kept from public inspection. The Manual makes clear that the "mere fact that an employee believes that his financial affairs are his own business will not, without more, sustain a claim of privacy. The reasons must be set forth in sufficient detail to enable the Board of Ethics to evaluate the privacy claim."
3. The reasons for each privacy claim must be set forth separately for each item requested to be withheld from public inspection. The City's form provides four pages on which privacy claims are to be detailed, and employees are told to add additional sheets if necessary.

The law requires the Board of Ethics of the City of New York to pass on all privacy claims made by employees filing reports.

(No provision entitles the spouse of a report-

advance. Guided only by the statutory language, one would be justified in assuming that even if a matter is unrelated to the duties of a reporting employee and involves no actual or potential conflict of interest, it would receive Board protection only if it is "of a highly personal nature."

II. Merits of Plaintiffs' Claims

Plaintiffs' approach in setting forth their claims is as indiscriminate as the approach allegedly taken by the legislature in drafting the disclosure statute. Their brief summarizes their numerous points:

The disclosures mandated by LL 48 implicate revelation not only of the private financial affairs of classified civil servants, - who have attained their position on merit, not by reason of political appointment, and who exercise none of the managerial or policy-making powers which are the proper subject of financial disclosure seeking to demonstrate conflicts in interest, - but also of their political, religious, trade union, and other protected beliefs, activities, or affiliations as well as intra-marital and intra-family confidences and communications as they are reflected in income, expenses, honoraria, gifts,

debts, investments and beneficial interests of the City employee or his spouse. No exception is allowed by LL 48 by reason of any consideration of irrelevancy, and those extraordinarily broad disclosures are then made available for the review of any person.^{2/}

Plaintiffs correctly identify several constitutional interests that are potentially impinged upon by financial disclosure laws: the right to privacy, in its many facets, - financial, marital, familial, see Whalen v. Roe, 429 U.S. 589, 599-600 (1977); and freedom of association, of belief, and of speech, e.g. Gibson v. Florida Legislative Comm., 372 U.S. 539, 557-58 (1963). These interests trigger important procedural protections including the doctrine that laws affecting fundamental interests should be justified by at least substantial - and perhaps compelling - state interests: that they be narrowly drawn to deal only with the legitimate state interests at stake; and that they be sufficiently clear to provide adequate guidance to individuals inter-

ested in complying. See generally Judge Wisdom's typically illuminating analysis in Plante v. Gonzalez, 575 F.2d 1119 (5th Cir. 1978), cert. denied, 99 S.Ct. 1047 (1979).

The City, though unable to file a brief in the short time available to it, responded accurately at oral argument that financial disclosure laws have been passed by numerous governments and generally upheld. See Note, The Constitutionality of Financial Disclosure Laws, 59 Cornell L. Rev. 345 [1974]. All of the information sought by LL 48 and its predecessor is the sort of material that may, in proper circumstances, serve to aid government and the public in preventing and uncovering fraud and corruption. Payoffs to government officials often assume some form of income, debt, reimbursement, or capital gain. Conflicts of interest are most effectively revealed by a listing of the assets an individual owns.

Skeptics may claim that corrupt persons will not comply with disclosure rules. But

political appointees, even political appointees in the Fire Department. They limit their attack to the statute's application to three classes of persons: Battalion Chiefs;^{4/} Deputy Chiefs;^{5/} and Medical Officers.^{6/} All three job categories are high ranking positions. But they are merit appointments, earned under the civil service system, and are claimed to lack any "policy-making" responsibilities. The City has not yet addressed these contentions fully, but has already pointed out that persons in plaintiffs' job categories perform more than merely ministerial roles.^{7/} Yet, plaintiffs seem likely to be successful in distinguishing their powers and duties - and hence their opportunities for corruption and conflicts of interest - from those of politicians and policymakers. The procedural doctrines devised by the Supreme Court would appear to require that the legislature exercise, if practicable, greater

care in devising disclosure rules for plaintiffs than in drafting rules for disclosure by political officers.

Plaintiffs' objection to disclosure of the financial affairs of spouses is likewise a substantial aspect of their case.

Affidavits have been filed by a homemaker spouse who objects to the intrusion LL 48 makes into her personal, marital and familial privacy; ^{8/} and by an employed spouse who objects to public exposure of certain details of her professional life, which she has ^{9/} chosen to keep even from her family.

Both of these spouses also fear that public exposure of their finances may cause harm to their families, presumably from kidnappers, burglars, or other criminals. Of course the spouses of all those covered by LL 48 will also be exposed to these same intrusions and dangers. But plaintiffs validly contend that the legislature should, if practicable, exercise greater care in regulating spouses, and particularly those of non-political

employees. They also seem correct in arguing that the legislature should be required to make a stronger showing of need in regulating spouses than it may be required to make in regulating employees.

A third argument of plaintiffs seems especially worthy of careful consideration. Plaintiffs object to the requirement that all material not "of a highly personal nature" be subject to automatic public disclosure, and with no apparent protections. Many, if not most, matters which persons in plaintiffs' positions would report are likely to have nothing to do with their duties and to involve no actual or potential conflicts of interest. This is particularly true of materials concerning the plaintiffs' spouses. Yet, this material must be publicly revealed unless plaintiffs demonstrate that it is "of a highly personal nature." One can imagine many things that would cause embarrassment which might not be deemed

"highly personal" by the Board of Ethics.

(It is interesting that the public members of the Board of Ethics would not be subject to LL 48's requirements.) Affidavits filed in this case attest to a desire for confidentiality for a variety of reasons that may be strongly felt but are unlikely to be deemed "highly personal": a father wishes to bring up his children without letting them know he is relatively wealthy; a divorced person wants to avoid letting his former spouse know he has been able to accumulate substantial assets; another employee seeks to avoid being asked for loans by friends and relatives; several want to avoid being solicited by salesman. The statutory scheme lends little or no hope of protection for considerations such as these.

Disclosure might be more readily justified if some showing of need were required of persons wanting to see reports, but the law requires only the payment of a fee. Moreover, the individual seeking disclosure

may be able to avoid giving his or her name since the statute requires only that a reporting individual be informed that a request has been made, not who made it or why. It seems fair to anticipate that these reports, once filed, will be sought by the press and by commercial interests, such as salesmen, even if not by outright criminal elements. Given this consequence, plaintiffs seem correct in asserting that the law needs far more justification, and demands greater scrutiny, than a similar law which limited disclosure to legislatively recognized needs and protected individuals from undesirable and dangerous consequences that can readily be anticipated.

Finally, plaintiffs have pointed out numerous weaknesses in LL 48's mechanism for protecting privacy, beyond its limited scope. Most telling of all plaintiffs' points is the fact that to claim privacy an employee or spouse must make a detailed

explanation which is necessarily disclosed to the Office of the City Clerk and, if the issue is tested, to the Board of Ethics. ^{10/}

Persons claiming privacy may well have reason to fear improper or accidental disclosure of their privacy claims to the public; the City Clerk is a political appointee, and he and his staff are no more immune from misconduct or error than other political appointees. Improper or negligent acts are even more likely where, as here, no steps have been taken to regulate the handling of the reports and privacy claims or to specify punishments for individuals guilty of mishandling them. Moreover, all privacy claims must be decided in writing, and a person losing a claim of privacy will be forced to litigate or (unless regulations are adopted providing otherwise) suffer the revelation of both the information and the fact that his privacy claim was rejected.

Those who succeed in establishing that

disclosure of an item of information would constitute an unwarranted invasion of privacy will also be placed in an awkward situation. Since their reports will be publicly available except for material deemed protected, the public will be placed on notice that some aspect of the financial lives of these individuals is "highly personal." That the aspect of their lives that is withheld will have been found to have no relationship to their duties, or to raise no actual or potential conflict of interest, seems unlikely to guaranty that no effort will be made by members of the public to discover the underlying facts. Indeed, some investigators may be more interested in uncovering non-job related "highly personal" facts than in examining less intensely personal information, however job related.

The overbreadth and vagueness of LL 48, plaintiffs contend, is correctible. Whether plaintiffs are correct will turn, among other

things, on whether disclosure inquiries can be formulated to provide the City with arguably necessary information and to infringe less on the privacy of the plaintiff classes; whether demands for disclosure by spouses can be tempered without leaving significant loopholes for corruption or conflicts of interest by the employee; whether all proper governmental objectives can be served without publicly revealing all the information disclosed; whether greater protections can be provided for individuals to the extent disclosure of their finances is required; and whether subjects or areas can be identified in advance, the disclosure of which could be deemed an unwarranted invasion of privacy, without harming the government's regulatory objectives.

At this stage in the litigation it is unnecessary and premature to conclude definitively that plaintiffs are likely

to succeed on the merits. When viewed in combination, it appears very possible that plaintiffs will succeed on at least some limited aspects of their claims. Before finally formulating an approach to deciding what aspects of the law may be invalid, however, it seems proper first to allow the City to present evidence and argument on all aspects of the problem, including the need for this law, protective mechanisms that might be provided by agreement, and the practicability of more narrow regulation of spouses and private concerns.

A preliminary injunction is nevertheless appropriate since plaintiffs have certainly presented "serious questions going to the merits" that deserve and require full-dress treatment before any change occurs in the status quo. The Second Circuit has long recognized that injunctions pendente lite, may properly be granted in such cases, if the other requisites of an injunction are

established. Division 580 Amalgamated Transit Union v. Central New York Regional Trans. Auth., 556 F.2d 659, 662 (2d Cir. 1977); Sonesta Int'l. Hotels Corp. v. Wellington Associates, 483 F.2d 247, 250 (2d Cir. 1973).

IV. Irreparable Injury and the Balance of Hardships

The usual requirement for a preliminary injunction, where serious questions warranting litigation are presented, is that the balance of hardships tips decidedly in favor of the party seeking restraint. In this case, plaintiffs have not only shown that the balance of hardships tips decidedly in their favor, they have demonstrated that they will suffer irreparable injury unless enforcement is enjoined, while the City will at most suffer a limited loss of effective compliance with the enforcement of the law.

Enforcement of LL 48 will, first,

require hundreds of individuals to complete the required forms, and to submit them to the City Clerk. Completing the forms will constitute a burden for all, and a substantial burden for those with substantial property, or those wishing to claim that reported items are highly personal. Once filed, the forms will immediately become available to the public. The City conceded at oral argument that the City Clerk has no authority under LL 48 to withhold any report from the public, except those items in a report which the reporting employee has claimed are "highly personal" before the public request is made. All requests to examine reports will therefore have to be honored by the City Clerk, irrespective of the fact that the statute may be invalidated in some respects during this litigation. Persons who claim confidentiality will be forced to detail and to press those claims before the Board of Ethics, and the

Board will have to decide such claims, even though disclosure and decision of at least some such claims might prove to have been unnecessary.

Plaintiffs assert, moreover, that no need exists for a disclosure law for employees in their positions, let alone any need to enforce the law while its legality is being determined. LL 48 (and its predecessor) is part of a reaction by legislatures on all levels of government to the corruption and disillusionment of the Watergate era. It is a long leap, however, from the corruption and arrogance of the Nixon White House to the world of New York City's Fire Department. Recent years have provided several seamy tales of malfeasance or misfeasance in our local executive and legislative branches; but no single instance of impropriety has been uncovered or investigated among the classes of officers who are plaintiffs in this

action. 11/ While the City Council might have had a reasonable basis for treating themselves and other political figures with suspicion, no empirical basis has yet been advanced for treating civil service Fire Department personnel and their spouses in the same way. Perhaps this lack of any demonstrable need for such extensive disclosure will not matter when this case is decided on the merits. But on this record it seems clear that a short delay in enforcing LL 48 against the plaintiff classes is unlikely to cause any significant (or indeed discernible) amount of illegal activity to occur unchecked.

The City claims, however, that even if its Fire Department is the "finest in the nation," and even conceding no basis exists for predicting that corrupt acts will occur among the plaintiff classes pendente lite, LL 48 should be enforced forthwith to avoid undermining the law's stature and its

effectiveness in restoring public confidence in City officials and employees. Governments have a substantial interest in having laws accepted, and prompt enforcement gives laws their maximum impact. But this interest should be given full recognition and weight only when time and experience have shown a need for the law invoked. Compare Cheeseman v. Carey, 79 Civ. 4265, S.D.N.Y. (Sept. , 1979) (refusing to enjoin enforcement of the Taylor Law's double penalty provision against prison guards and security officers for engaging in an illegal strike). Here, the law adopted will still be enforced against all political officers, candidates, and political appointees. The law's enforcement will be delayed only with respect to classes of officers concerning whom there has been no legislatively compiled record of need, and in fact no evidence of need.

The City also argues that plaintiffs have delayed unnecessarily in seeking in-

junctive relief, and that to grant relief now will require the City to circulate its forms and manuals once again in the future, at some additional expense and inconvenience. Plaintiffs have not delayed unreasonably. Plaintiffs' counsel has persistently and constructively battled against the City's disclosure law. His efforts have accounted for many changes, including the victory in Hunter which led the City to incorporate the mechanism for testing privacy claims. This process of negotiation and litigation has continued since 1975, when the City first adopted a disclosure statute. LL 48 was approved by the Mayor on July 27, 1979. It required filing by September 1, 1979, but plaintiffs could not be certain as to what information would be required, or what procedures would be established, until the City promulgated its forms and its Information Manual. These materials were made available on Friday, August 24, 1979,

and this action was filed promptly thereafter, on Monday, August 27. The expense and inconvenience a short delay may cause the City would be small compared to the cost and inconvenience to literally hundreds of people in completing and filing many intimate details of their financial, professional, and family lives. Moreover, if the forms were filed irreparable injury would be likely to result from disclosures to the public which the City Clerk would be powerless to prevent.

The City has thus far sought to prevent any injunction of LL 48. It has not yet sought to limit the scope of the injunction issued by restricting the extent of disclosure sought, or by partially or entirely exempting spouses, or by curtailing public access. The City is of course free at any time during this litigation to seek a more limited injunction than is now being entered. Meanwhile, based on the

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findings and conclusions stated in this opinion, the following order is hereby adopted:

ORDERED that the defendants City of New York, New York City Board of Ethics, Mayor Edward I. Koch, Francis T.P. Plimpton, Powell Pierpoint and Barbara Scott Preiskel, their agents, servants and employees and all persons acting in concert with them, are enjoined from enforcing New York City Administrative Code §1106-5.0, as amended by Local Law 48 of 1979, against the plaintiff classes and their spouses, pending a final determination that said laws are valid and enforceable under the Constitution of the United States.

SO ORDERED.

Dated: New York, New York
September 6, 1979

/s/ ADS

ABRAHAM D. SOFAER
United States District Judge



FOOTNOTES

1/Jurisdiction is based on 28 U.S.C. §§1331 & 1343(3). The causes of action are alleged to arise under 42 U.S.C. §1983, and the relief sought is authorized by 28 U.S.C. §§ 2201 & 2202.

2/Plaintiffs' Memo. of Law, p.11.

3/See generally, the discussion in Plante v. Gonzalez, supra.

4/Plaintiff Slevin affirms that his principal responsibilities as Battalion Chief involve supervising, training and directing the members and supervising the equipment of the Fire Department assigned to the 19th Battalion during his tours of duty. This responsibility is shared with four other Battalion Chiefs in the 19th Battalion, and is limited to the geographical area bounded by Fordham Road to the Cross Bronx Expressway and the Grand Concourse to the Harlem River, encompassing the 19th Battalion. He works under the supervision and direction of the Deputy Borough Commander of the Bronx, the Chief of the Department, and the Commissioner of the Department.

5/Plaintiff Clinton affirms that his principal responsibilities as Deputy Chief involve supervising, training and directing the members and supervising equipment of the Department assigned to the 1st Division during his tours of duty. These responsibilities are shared with 4 other Deputy Chiefs, and are limited to the geographical area bounded by 23rd Street and the Battery and the Hudson and East Rivers, comprising the 1st Division. He works under the supervision and direction of the Chief of the Department and the

Commissioner of the Department, as well as the Borough Commander and Deputy Borough Commander of Manhattan.

6/Dr. Fell's principal responsibilities as a Medical Officer in the FD are examining and rendering treatment to Firemen during his tour of duty. He is also a salaried surgeon at a hospital. He is only one of fifteen such officers serving the Department.

7/The City states:

The battalion chiefs and deputy chiefs have broad administrative responsibilities within the Fire Department which include the supervision of the inspection of buildings for fire safety. Fire Department Regulations, §§6.4.5; 7.4.4 Even medical officers who examine fire officers for fitness to perform duty and in connection with applications for disability retirement are subject to possibilities for corruption. Fire Department Regulations, Ch. 31.

8/Affidavit of Mary Slevin, Order to Show Cause.

9/Affidavit of Joan Clinton, Order to Show Cause.

10/Plaintiffs note that "Councilman Stern, who was the sponsor of this and really revised it, showed great consternation" at discovering "that in order to have your privacy claim recognized, you have to endure a much greater invasion of privacy...." Transcript of Argument, August 30, 1979, pp. 13-14.

11/Counsel for the City noted that plaintiffs "are the people who are identi-

fied by the public as part of officialdom. They have the opportunity to engage in proper or improper activities." He disclaimed suggesting, however, "that the chiefs and deputy chiefs are corrupt people. In fact, they are probably the backbone of the finest fire department in the country." Transcript of Argument, Aug. 30, 1979, p. 24. He conceded, when asked, that no suggestion exists of theft, bribery or corruption among the plaintiff classes or their spouses, and that no evidence of Fire Department corruption was cited in the City Council's records. He could refer the Court to no single investigation or conviction for corruption within the last twenty years of a person in the plaintiff classes. Id. 30-31.

APPENDIX V

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and
on behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK, NEW YORK CITY BOARD
OF ETHICS, EDWARD I. KOCH, as Mayor of the
City of New York, FRANCIS T.P. PLIMPTON, as
Chairman of the Board of Ethics, and
DAVID N. DINKINS, as City Clerk,

Defendants.

-----x
ORDER TO SHOW CAUSE FOR
PRELIMINARY INJUNCTION

79 Civ. 4524 (VLB) August 28, 1979

Upon the summons and complaint herein,
the affidavits of Helene M. Freeman, James
Slevin, Mary Slevin, Brian Clinton, Joan
Clinton, Dr. Stanley C. Fell and Frank
D'Amico, and the Memorandum of Law in sup-
port of plaintiffs' motion for a temporary
restraining order and preliminary injunc-
tion, it is

ORDERED that the defendants City of New York, New York City Board of Ethics, Mayor Edward I. Koch, Francis T.P. Plimpton, Powell Pierpoint and Barbara Scott Preiskel show cause, at a Motion Term of this Court, to be held in Room 110 of the United States Courthouse, Foley Square, New York, New York, on the day of 30th August, 1979, at 3:30 o'clock in the afternoon of that day, or as soon thereafter as counsel can be heard why a temporary restraining order and a preliminary injunction should not be issued enjoining said defendants, their agents, servants and employees and all persons acting in concert with them from enforcing New York City Administrative Code §1106-5.0 as amended by Local Law 48 of 1979.

ORDERED that personal service of a copy of this order and of the papers upon which the same is granted on each defendant on or before noon August 29, 1979, shall be

sufficient service of this order.

No previous application for the relief requested herein has been made.

/s/ ADS

U.S.D.J.

Part 1

Dated: New York, New York

August 28, 1979

APPENDIX VI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and
on behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK, NEW YORK CITY BOARD
OF ETHICS, EDWARD I. KOCH, as Mayor
of the City of New York, FRANCIS T.P.
PLIMPTON, as Chairman of the Board of
Ethics, and DAVID N. DINKINS, as City
Clerk,

Defendants.

-----x
ORDER

79 Civ. 4524 (VLB) December 31, 1979

WHEREAS, plaintiffs in this action
have moved this court for an order pursuant
to F.R.Civ.P. Rule 23(c)(1) and Local Rule
11A of this court determining that this
action be maintained as a class under Rule
23(b)(2); and

WHEREAS, defendants have not opposed
plaintiffs' motion; and

WHEREAS, the court finds that the class meets the prerequisites of a class action as set forth in F.R.Civ.P. Rule 23(a) and 23(b)(2); it is

ORDERED, that this matter should be, and is hereby, certified as a class action under F.R.Civ.P. Rule 23(b)(2) on behalf of a class of all persons employed by the New York City Fire Department in the competitive civil service titles Battalion Chief, Deputy Chief and Medical Officer, who are required to file financial disclosure statements pursuant to Local Law 48 of 1979, and their spouses; and it is

FURTHER ORDERED, that the class be divided into subclasses consisting of:

- (a) All persons employed by the New York City Fire Department in the competitive civil service title of Battalion Chief;
- (b) all persons employed by the New York City Fire Department in the

competitive civil service title
of Deputy Chief;

(c) All persons employed by the
New York City Fire Department in
the competitive civil service
title of Medical Officer;

(d) The spouses of the Battalion
Chiefs, Deputy Chiefs and Medical
Officers employed by the New
York City Fire Department.

Dated: New York, New York
December 31, 1979.

/s/ ADS

ABRAHAM D. SOFAER
United States District Judge

APPENDIX VII

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
JAMES SLEVIN, MARY SLEVIN, BRIAN CLINTON,
JOAN CLINTON, DR. STANLEY C. FELL, and
FRANK D'AMICO, on their own behalf and
on behalf of all others similarly situated,

Plaintiffs,

-against-

CITY OF NEW YORK, NEW YORK CITY BOARD OF
ETHICS, EDWARD I. KOCH, as Mayor of the
City of New York, FRANCIS T.P. PLIMPTON,
as Chairman of the Board of Ethics, and
DAVID N. DINKINS, as City Clerk.

Defendants.

-----x

ORDER

79 Civ. 4524 (VLB)

May 22, 1980

The motion to vacate is denied. Some
of the grounds for issuance of the injunction
will not be satisfied by the conditions
proposed. Furthermore, defendants have
taken no action to finalize the disposi-
tion of this case, and the Court is ready
to set the matter down for trial in the
near future.

So ordered.

/s/ ADS
U.S.D.J.

APPENDIX VIII

UNITED STATES DISTRICT COURT
SECOND CIRCUIT

June 22, 1983

Index Nos.

83-7010, 83-7012, 83-7080

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse in the City of New York, on the twenty-second day of June, one thousand nine hundred and eighty three.

Present:

HON: WILFRED FEINBERG Chief Judge

HON: J. EDWARD LUMBARD

HON: RALPH K. WINTER

Circuit Judges,

JOHN J. BARRY, ET AL.,
Plaintiffs-Appellees

v.

CITY OF NEW YORK; ET AL.,
Defendants-Appellants.

JAMES SLEVIN, ET AL.,
Plaintiff-Appellees-Cross-Appellants,
v.

CITY OF NEW YORK; ET AL.,
Defendants-Appellants-Cross-Appellees.

Appeal from the United States District
Court for the Southern District of New York.

This cause came to be heard on the
transcript of record from the United States
District Court for the Southern District of
New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now
hereby ordered, adjudged, and decreed that
the judgment of said District Court be and
it hereby is affirmed in part and reversed
in part in accordance with the opinion of
this court.

A. Daniel Fusaro,
Clerk

by: Edward J. Guardaro,
Deputy Clerk

APPENDIX IX

APPENDIX

1. First Amendment to the United States Constitution:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

2. Fourth Amendment to the United States Constitution:

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to

be seized.

3. Fifth Amendment to the United States Constitution:

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

4. Ninth Amendment to the United States Constitution:

The enumeration in the constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

5. New York City Local Law 1 of 1975:

"Annual Disclosure--a. The following persons shall file with the city clerk a report disclosing certain financial interests as hereinafter provided:

1. Each elected officer described in sections four, twenty-three, twenty-four, eighty-one and ninety-one of the New York city charter shall file such report not later than June thirtieth, nineteen hundred and seventy-five and thereafter not later than June thirtieth of each year except, in the year in which such elected officer is a candidate for re-election or a candidate for one

of the other offices hereinabove set forth, then and in that event such elected officer, as a candidate, shall file on or before the last day for filing his designating petitions pursuant to the election law.

2. Each person who has declared his intention to seek nomination or election and who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed which has not been declined, for an office described in paragraph one of subdivision a of this section shall file such report on or before the last day for filing his designating petitions pursuant to the election law.

3.a. Each head of an administration, each deputy administrator, assistant administrator, each agency head or board member of such agency, commissioner, deputy commissioner, assistant commissioner, and each city employee whose salary is twenty-five thousand dollars a year or more shall file such report not later than June thirtieth, nineteen hundred and seventy-five and not later than June thirtieth of each year thereafter.

b. The report shall contain the following information:

1. List the name, address and type of practice of any professional organization in which the person reporting or his spouse, is an officer, director, partner, proprietor or employee,

or serves in any advisory capacity, from which income of one thousand dollars or more was derived during the preceding calendar year.

2. List the source of each of the following items received or accrued during the preceding calendar year by the person reporting or his spouse.

(a) any income for services rendered, other than any source of income otherwise disclosed pursuant to paragraph one, of one thousand dollars or more;

(b) any capital gain from a single source of one thousand dollars or more other than from the sale of a residence occupied by the person reporting;

(c) reimbursement for expenditures of one thousand dollars

or more in each instance;

(d) honoraria from a single source in the aggregate amount of five hundred dollars or more;

(e) any gift in the aggregate amount or value of five hundred dollars or more from any single source received during the preceding year, except as otherwise provided under the election law covering campaign contributions.

3. List each creditor to whom the person reporting or his spouse was indebted for a period of ninety consecutive days or more during the preceding calendar year in an amount of five thousand dollars or more.

4. List the identity of each

investment and each parcel of real property in which a value of twenty thousand dollars or more was held by the person reporting or his spouse at any time during the preceding calendar year, based on the cost thereof or when acquired by means other than purchase, an estimate of the value at the time of receipt.

5. List the identity of each trust or other fiduciary relation in which the person reporting or his spouse held a beneficial interest having a value of twenty thousand dollars or more during the preceding calendar year.

6.(a) Indicate if the total amount of income received from each and every source listed (1) pursuant to the provisions of

paragraph one and subparagraphs a, b and c of paragraph two of this section is at least one thousand dollars but less than five thousand dollars; at least five thousand dollars but less than twenty-five thousand dollars; at least twenty-five thousand dollars but less than one hundred thousand dollars or one hundred thousand dollars or more; and

(2) pursuant to the provisions of subparagraphs d and e of paragraph two of this section is less than one thousand dollars; at least one thousand dollars but less than five thousand dollars; at least five thousand dollars but less than twenty-five thousand dollars; at least twenty-five thousand dollars but less than one hundred thousand

dollars or one hundred thousand dollars or more.

(b) Indicate if the total amount of indebtedness owed each creditor listed pursuant to paragraph three of this section was at least five thousand dollars but less than twenty-five thousand dollars; at least twenty-five thousand dollars but less than one hundred thousand dollars; at least one hundred thousand dollars but less than five hundred thousand dollars or over five hundred thousand dollars.

(c) Indicate if the total value of each investment and real property interest identified pursuant to paragraph four of this section and each beneficial interest identified

pursuant to paragraph five of this section was, during the reporting period, at least twenty thousand dollars but less than one hundred thousand dollars; at least one hundred thousand dollars but less than five hundred thousand dollars or five hundred thousand dollars or more;

c. Information filed pursuant to the provisions of this section shall be maintained by the city clerk and shall be made available to taxpayers pursuant to sections eleven thirteen and eleven fourteen of the city charter.

d. Any intentional violation of the provisions of this section shall constitute a misdemeanor punishable by imprisonment for not more than one year or by a fine not to exceed

one thousand dollars or by both.

e. If any provision of this section shall be held invalid or ineffective in whole or in part or inapplicable to any person or situation, it is the purpose and intent of this section that all other provisions hereof shall nevertheless be separately and fully effective and that the application of any such provision to other persons or situations shall not be affected. (Added by L. L. 1975, No. 1, January 8.)"

6. New York City Local Law 48 of 1979:
"Section 1. Paragraphs one and three of subdivision a of section 1106-5.0 of chapter forty-nine of the administrative

code of the city of New York are hereby amended to read, respectively, as follows:

1. Each elected officer described in sections four, twenty-three, twenty-four, eighty-one and ninety-one of the New York city charter shall file such report not later than September first nineteen hundred seventy-nine and thereafter not later than July first of each year except, in the year in which such elected officer is a candidate for re-election or a candidate for one of the other offices hereinabove set forth, then and in that event such elected officer, as a candidate, shall file on or before the last day for filing his designating petitions pursuant to the election law.

3. Each agency head, deputy agency head, assistant agency head member of any board or commission, other than a member of a board or a commission who serves without compensation and each city employee who is a member of the management pay plan or whose salary is thirty thousand dollars a year or more shall file such report not later than September first nineteen hundred seventy-nine and not later than July first of each year thereafter.

§2. Subdivision c of such sector of such chapter and code is hereby amended to read as follows:

c. Information filed pursuant to the provisions of this section shall be maintained by the city clerk and shall be made available for public inspections subject to the provisions of subdivisions d, e and f of this section.

§3. Subdivisions d and e of such

section of such chapter and code are hereby relettered to be g and h, respectively, and three new subdivisions, to be subdivisions d, e and f, are hereby added to read as follows:

d. 1. Any person required to file a report pursuant to this section may, at the time the report is filed or at any time thereafter, except when a request for inspection is pending, submit a request to the board of ethics, in such form as the board shall require, to withhold any item disclosed therein from public inspection on the ground that the inspection of such item by the public would constitute an unwarranted invasion of his or her privacy. Such request shall be in writing and shall be in such form as the board of ethics shall prescribe and shall set forth the reason such person believes the item should not be disclosed. The city clerk, upon receiving a written

request by a member of the public, on such form as the board of ethics shall prescribe, to examine an item for which a written request to withhold information on the ground of privacy was submitted pursuant to this paragraph shall refer such request to the board of ethics and notify the person who filed the report that a request for inspection has been made. Whenever a request is made by a member of the public to examine a report, whether or not a request for privacy protection has been made, the city clerk shall so notify the person who filed the report.

2. The board of ethics shall evaluate such claim and any such item shall be withheld from public inspection upon a finding by the board that the inspection of such item by the public would constitute an unwarranted

invasion of privacy. In making this determination, the board shall consider the following factors:

(a) whether the item is of a highly personal nature;

(b) whether the item in any way relates to the duties of the positions held by such person;

(c) whether the item involves an actual or potential conflict of interest.

3. The board of ethics shall establish procedures for the consideration of requests for withholding information on the ground of privacy. Such procedures shall include provision for the person who filed the information to appear in person to set forth, or submit a written statement setting forth, the reasons why the information should be withheld from public inspection.

4. The determination of the board of ethics shall be in writing and shall set forth the reasons for such determination. The board shall forward its determination to the city clerk. Except for those items, if any, that the board of ethics finds would constitute an unwarranted invasion of privacy if disclosed, the city clerk shall make available to the person making such request the information requested.

e. Reports filed pursuant to this section shall be retained by the city clerk for a period of two years following the termination of the public employment of the person who filed the report. In the case of candidates for office who have filed reports pursuant to this section and who were not elected, the reports shall be retained by the city clerk for a period of two years following the day of an

election on which the candidates were defeated. Such reports shall thereafter be destroyed by the city clerk unless a request for public disclosure of an item continued in such report is pending. In lieu of the destruction of such reports, the city clerk, in his discretion, may establish procedures providing for their return to the persons who filed them.

f. For the purposes of this section, the board of ethics shall mean the public members of the board of ethics appointed pursuant to section twenty-six hundred of the charter. Neither the corporation counsel nor the director of personnel shall participate in any determination made pursuant to this section.

\$4. All reports filed pursuant to local law number one for the year nineteen hundred seventy-five which were filed

with the city clerk prior to the effective date of this local law shall be destroyed by the city clerk.

§5. This local law shall take effect immediately."